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Quarterly Activities Report: Bod continues to progress clinical trial pipeline ahead of multiple new product launches

- **Initial participants recruited for phase IIB clinical trial into the efficacy of a new, unique Schedule 3 (pharmacist only) CBD formulation on symptoms associated with insomnia – a major step towards commercialisation of Bod's over-the-counter (OTC) low-dose CBD product for the Australian market**

- **First patients enrolled for study investigating the efficacy of CBD-dominant medicinal cannabis on symptoms associated with long-COVID. Study will provide Bod with an opportunity to commercialise a product that can alleviate long-COVID symptoms and unlock another large market**

- **Completion of proof of concept study into the safety and efficacy of a cannabigerol (CBG) dominant cannabis extract lays foundation for new product launch. Bod will be the first company to introduce a new CBG cannabis product into the Australian and UK markets in coming weeks**

- **Steps undertaken to launch new low dose CBD product through Australian SAS-B channels – provides Bod with another sales channel and additional delivery format for consumers ahead of OTC launch**

- **Receipts from customers up 65% on the previous quarter to $1,070,000 (Q3 FY2022: $647,000) and total sales rose to $943,608, highlighting 46% growth on last quarter (Q3 FY2022 sales: $645,918)**

Sydney, Australia – 28 July 2022: Cannabis focused drug development and product innovation company Bod Australia Limited ("Bod" or "the Group") (ASX: BOD) is pleased to provide the following update on activities for the quarter ended 30 June 2022 (Q4 FY2022).

Operational overview:

First patients enrolled for clinical trial to commercialise a Schedule 3 CBD product for the Australian market:
The Group secured first patient enrolments for its Australian-based Phase IIB clinical trial, which is investigating the efficacy of a new, unique Schedule 3 (pharmacist only) CBD formulation on symptoms associated with insomnia.

Bod's clinical trial is being undertaken at the Woolcock Institute for Medical Research, Australia's leading sleep and respiratory research organisation. It is a double blind, randomised and placebo-controlled investigation on the effect of administering a 50mg and 100mg oral CBD product per day, versus a placebo, over an 8-week period with over 200 participants.

Upon completion of the trial, Bod is confident that it will have sufficient data to progress product registration for a Schedule 3 low dose CBD product with the Therapeutic Goods Administration (TGA) and for the final product to be added to the Australian Register of Therapeutic Goods (ARTG). This would provide Bod with the opportunity to become one of the first Australian companies with a unique CBD product that can be sold over-the-counter (OTC) by pharmacists to Australian consumers without the requirement of a prescription.

First patients enrolled for long-COVID study investigating the efficacy of CBD-dominant medicinal cannabis:
Bod successfully completed the first enrolment of patients for its UK-based open label clinical trial in collaboration with Drug Science UK ('Drug Science') (www.drugscience.co.uk) to explore the effectiveness of Bod's medicinal cannabis product, MediCabilis® CBD 5% ('MediCabilis') on symptoms associated with the long term impact of SARS-CoV-2 ('COVID-19'), commonly referred to as long-COVID.

Long-COVID is an emerging condition, which refers to ongoing or new symptoms that develop in the eight weeks from an initial COVID-19 infection. Some common symptoms include shortness of breath, fatigue, loss of concentration, chronic pain, anxiety and insomnia. Many of the aforementioned symptoms are amenable to treatment with cannabis-based medicines, which underpins a significant opportunity for the Group.

Bod's planned study will recruit 30 participants over the age of 18 that are suffering from long-COVID. Under a clinical trial setting, each patient will be administered MediCabilis on a daily basis over a six-month period while self-reporting and assessing common symptoms associated with the condition. The collective results will determine the

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feasibility of Bod's medicinal cannabis product in the treatment of the condition and whether it is effective and safe for use.

The outcomes from the initiative will allow Bod to continue its efforts to commercialise a product that can alleviate the symptoms of long-COVID. This also provides the Group with additional evidence for the use of MediCabilis and can assist Bod in advancing potential licencing agreements with pharmaceutical partners in Australia and overseas for its unique extract.

Proof of concept study completed into the safety and efficacy of a new medicinal cannabis product:
Bod completed a proof-of-concept study into the safety and efficacy of a cannabigerol (CBG) dominant cannabis extract, which has shown very promising results. The study will form the basis for the launch of a new medicinal cannabis product that will be sold under Bod's existing MediCabilis brand.

CBG is a non-intoxicating compound taken from cannabis plants. It has the potential to hold significant therapeutic benefits across multiple applications. Early research has shown that CBG has unique pharmacological actions and can potentially address alternative therapeutic uses to CBD and THC. CBG has been identified as part of the treatment strategy for fibromyalgia, inflammatory bowel disease and irritable bowel syndrome (IBS) amongst others.

The study was undertaken over a three month period to assess the use of MediCabilis CBG in patients suffering from symptoms associated with fibromyalgia, inflammatory bowel disease and anxiety. During the trial, participants were administered 50mg/ml of the product twice daily, orally and asks to rate the improvement of symptoms on a scale of one to ten, with one being nothing and ten being the best improvement.

A comprehensive review of the data showed that 74% of trial participants highlighted a noticeable improvement in symptoms within two to four weeks of using the product. When using the scale of one to ten, 64% of participants reported a rating above six.

The Group has shared a detailed report highlighting trial data with doctors and approved prescribers in Australia and the UK, which is expected to assist with ongoing educational and business development initiatives prior to the product launch. Bod also continues to advance the product launch through Special Access Scheme Category B (SAS-B) channels in Australia. The introduction of the new product will cement the Group's position as the first company to have a pharmaceutical grade CBG product in the Australian and UK market, providing another opportunity to grow sales.

Bod to launch new low dose CBD product through Australian SAS-B channels:
The Group also progressed steps towards launching a new low dose CBD product into the Australian market, scheduled for July. The product will be sold as Bod Bio-Absorb 100™ and is made up of a uniquely developed CBD formulation in a soft gel delivery format. The product is the same one currently being tested in Bod's phase II clinical trial and following the potential successful completion of the clinical trial, will be introduced to over-the-counter markets in Australia.

The launch of Bio-Absorb 100™ expands the Group's medicinal cannabis range, provides consumers with a new delivery format and will provide Bod with valuable consumer feedback prior to the proposed launch through OTC channels.

Corporate developments:

Financial overview:
Receipts from customers increased by 65% on a quarter-on-quarter basis to $1,070,000 (Q3 FY2022: $647,000) but decreased when compared to the previous corresponding period ('PCP' (Q4 FY2021: $2,246,000) due to increased cash collections during Q4 FY2021. Total sales for the quarter also rose to $943,608, highlighting 46% growth on last quarter (Q3 FY2022 sales: $645,918), however decreased on the PCP (Q4 FY2021: $1,173,498).

Quarter-on-quarter growth was underpinned by increased cash collections from H&H Group, as well as sales of the Group's medicinal cannabis products during the period. The decline on a year-on-year basis reflects the Company's ongoing focus towards the delivery of its R&D pipeline which is anticipated to unlock a number of growth initiatives

in the coming months, provide Bod with a suite of underlying intellectual assets and present future revenue generating opportunities.

Net cash used in operating activities was $826,000. This was higher than the last quarter's operating cash outflow of $290,000, due to the receipt of an R&D tax incentive refund of $1,098,000 during Q3 FY2022 but was lower than Q4 FY2021 ($1,179,000) and each of the first two quarters of FY2022. The Group's Board and management remain focused on streamlining expenditure across the Group.

Bod made payments totalling $0.15m to related parties during the quarter, representing remuneration paid to directors. The Group had $3.67m cash at bank as at 30 June 2022.

Board & Management transition:
During the quarter, the Group advised that Mr Simon O'Loughlin retired as a Non-Executive Director and was replaced by Mr David Baker effective 4 April 2022. Mr O'Loughlin was instrumental in Bod's ASX-listing and growth trajectory. The Group significantly benefitted from his guidance.

Mr Baker is a commercial advisor and company director with over 40 years' experience in law, investment banking, public company leadership and corporate governance. He has strong industry knowledge across a range of sectors and a sophisticated understanding of financial markets. Mr Baker is a co-founder of Baker Cook Advisory, a boutique provider of outsourced legal, commercial and governance advice and mediation services for corporations and government agencies. He is also a longstanding shareholder in Bod.

Subsequent to this, Non-Executive Chairman Mr Mark Masterson resigned due to personal reasons and was replaced by Mr Baker in the role of Non-Executive Chairman. Mr Masterson joined Bod in September 2019 and his expertise across product development and clinical trials has been instrumental in the Group's journey. Bod would like to thank Mr Masterson for his contribution.

Outlook:

Bod is focused on a number of value-accretive opportunities during FY2023, including:

- Completion of the phase IIB clinical trial and additional steps to launch a low dose schedule 3 CBD product into the Australian market;
- Completion of the study investigating the efficacy of medicinal cannabis when used to alleviate symptoms of long-COVID;
- Ongoing R&D initiatives to unlock further uses and benefits of Bod's CBD extract to broaden the Group's underlying asset base;
- Securing additional purchase orders to drive sales growth of medicinal cannabis and CBD wellness products; and
- Partnership agreements and licencing opportunities to underpin sales growth.

Management commentary:

CEO Ms Jo Patterson said: *"During the period, Bod continued to execute on a number of milestones that underpin the Group's clinical trial pipeline. This included the commencement of patient recruitment for two trials, which have the potential to provide considerable data and new product launches and sales growth. The results of Bod's proof-of-concept study have also laid a solid foundation for the launch of an innovative CBG product that will allow Bod to introduce the first pharmaceutical grade product utilising this compound in Australia and the UK.*

"Over the next few months, the Group remains focused on patient recruitment to advance our clinical trials. These are important steps for Bod, as each development provides additional evidence for the use of CBD products across a range of widespread conditions. We look forward to providing additional updates as developments materialise."

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

-ENDS-

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About Bod Australia:

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

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

The company has a number of existing partnerships with large corporate groups and collaborations with leading research partners to advance the use of CBD.

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Appendix 4C

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

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Name of entity	
Bod Australia Limited	
ABN	**Quarter ended ("current quarter")**
89 601 225 441	30 June 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,070	3,945
1.2	Payments for		
	(a) research and development	(198)	(1,343)
	(b) product manufacturing and operating costs	(671)	(2,897)
	(c) advertising and marketing	(101)	(392)
	(d) leased assets	-	-
	(e) staff costs	(576)	(3,455)
	(f) administration and corporate costs	(394)	(1,501)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	22	1,293
1.8	Other (royalties)	22	168
1.9	**Net cash from / (used in) operating activities**	**(826)**	**(4,177)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(20)
	(d) investments	-	-
	(e) intellectual property	(1)	(187)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(f) other non-current assets	-	-
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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(3)**	**(207)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,465	8,053
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(826)	(4,177)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(207)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	29	(4)
4.6	**Cash and cash equivalents at end of period**	**3,665**	**3,665**

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	3,665	4,465
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,665**	**4,465**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	153
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(826)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,665
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,665
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.4

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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

8.6.2 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

8.6.3 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

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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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: **28 July 2022**

Authorised by: **The Board of Directors of Bod Australia Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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