

## Bod begins formulating cannabis-based cosmetics products

### Highlights:

- **First cannabis-based topical treatments to be released 2018**
- **Unique market advantage – Linnea’s NioSkin™ technology provides superior mechanism for topical absorption of Linnea’s unique phytocomplex cannabis-based extracts**
- **Discussions with third-parties for white labelling and wholesale distribution underway**
- **Huge market potential – global skincare market to reach \$233.7 billion by 2022 and international medicinal cannabis market will grow to \$72.8 billion by 2025**

**Sydney, Australia – 10 November 2017** – Developer and distributor of natural, evidence-based cosmetic and natural medicines Bod Australia Limited (“**Bod**” or the “**Company**”) (ASX: BDA) is pleased to announce it has begun exploratory formulation work on a new range of cannabis-based cosmetic products through its partnership with leading Swiss herbal extracts company Linnea SA (“**Linnea**”).

The development work follows Bod’s cannabis supply and collaboration agreement with Linnea (*Refer ASX Announcement 23 October 2017*). The partnership provides the Company with significant value through access to Linnea’s extensive research into its unique cannabis-based extracts.

In line with the agreement, Linnea will assist Bod in the development of the cannabis-based topical treatments for inflammation and sensitive skin, including serums, foam-based creams and balms.

A key value-driver for the new cosmetic range will be the use of Linnea’s unique NioSkin™ ingredient as an active ingredient and transporter of the cannabis. NioSkin™ provides superior therapeutic outcomes than standard cannabis cosmetics by efficiently enhancing skin penetration of phytocannabinoids compounds.

Bod is conducting research and development in to its cannabis-based skincare products and plans to begin commercialising and distributing the products to consumers during 2018.

The products will be developed and manufactured at facilities in Italy, and exported to numerous major markets beyond Australia, including Asia and Americas.

As well as being sold by Bod directly through its extensive distribution network, the products will also be wholesaled to third-party clients on a white-label basis. White labelling will allow Bod to tap into lucrative skincare markets such as China, which grew to A\$33 billion in 2016<sup>1</sup> and is predicted to become the world’s largest cosmetics market by Morgan Stanley.<sup>2</sup>

The Company has received strong interest from potential white label partners, and discussions are currently progressing. Aside from local packaging and labelling requirements, Bod anticipates that

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<sup>1</sup> <http://china-trade-research.hktdc.com/business-news/article/China-Consumer-Market/China-s-Cosmetics-Market/ccm/en/1/1X000000/1X002L09.htm>

<sup>2</sup> <https://www.morganstanley.com/ideas/china-beauty-market-consumer-boom>

there will be no significant regulatory hurdles preventing the export of the new products into key overseas markets.

Bod's new cannabis-based cosmetic range will tap into the confluence between medicinal cannabis products and cosmetics. The international market for cosmetic products is expected to grow to \$233.7 billion by 2022, with a compound annual growth rate (CAGR) of 4.7% and 40% of global revenue in the Asia-Pacific region. Meanwhile, global revenues from medicinal cannabis products are anticipated to grow to \$72.8 billion (US\$55.8 billion) by 2025.<sup>3</sup>

Over the longer term, Bod plans to further investigate a number of additional opportunities to develop NioSkin™ -based products for supplementary markets in the future, including topical applications for skin irritations in animals.

**Bod Australia CEO Jo Patterson said:** "This exploratory formulation work highlights how Bod is now moving rapidly and decisively towards developing a range of unique cosmetic products by leveraging the extensive expertise and research secured through our partnership with Linnea.

"NioSkin™ provides Bod with a unique advantage in the marketplace through its superior efficacy, uniform dispersion of functional ingredients, rapid skin absorption, enhanced penetration and optimal bioavailability.

"We look forward to working with Linnea to ensure these products have broad based appeal to ensure we capture significant attention in these growing, lucrative markets.

"The Company will update shareholders on the progression of discussions and accomplishments throughout the formulation phase as they become available."

For more information: [bodaustralia.com](http://bodaustralia.com)

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### About Bod Australia

Bod Australia Limited operates a skin care and natural medicines business focused on all natural, evidence based products. In the skin care segment Bod has exclusive rights to distribute Pommade Divine in Australia, New Zealand and the export market to China, and BIOEFFECT in Australia. Bod is also developing a range of natural medicines, having recently commenced sales of Pinpoint, for memory and concentration, and natural anti-inflammatory Flexofytol. Led by an experienced sales team which includes ex-Bellamy's sales representatives, the Company is focused on the distribution of these brands and intends to develop new products across baby skin care and additional natural remedies targeting menopause and sinusitis. Bod has also signed a letter of intent with Swiss botanical extracts manufacturer Linnea Natural Pharma Solutions to develop skin care and therapeutic products using standardised, GMP-certified cannabis extracts.

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<sup>3</sup> <https://www.prnewswire.com/news-releases/skin-care-products-market-to-reach-179-billion-globally-by-2022---allied-market-research-610403995.html>

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