

## 1. Company details

Name of entity:	BOD Australia Limited
ABN:	89 601 225 441
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	4.0% to	3,443,634
Loss from ordinary activities after tax attributable to the owners of BOD Australia Limited	up	68.2% to	(2,169,856)
Loss for the half-year attributable to the owners of BOD Australia Limited	up	68.2% to	(2,169,856)

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,169,856 (31 December 2020: \$1,290,230).

Refer to the 'Review of operations' section of the Directors' report for further commentary on the results of the consolidated entity.

## 3. Net tangible assets

	31 Dec 2021 \$	30 Jun 21 \$
Net assets	6,584,258	8,660,524
Less: Intangibles	(414,737)	(337,906)
Net tangible assets	<u>6,169,521</u>	<u>8,322,618</u>
	<b>Number</b>	<b>Number</b>
Total shares issued	<u>105,914,920</u>	<u>105,914,920</u>
	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>5.82</u>	<u>7.86</u>

## 4. Loss of control over entities

Not applicable.

## **5. Dividends**

### *Current period*

There were no dividends paid, recommended or declared during the current financial period.

### *Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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## **6. Dividend reinvestment plans**

Not applicable.

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## **7. Details of associates and joint venture entities**

Not applicable.

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## **8. Foreign entity**

### *Details of origin of accounting standards used in compiling the report:*

The foreign entities are presented in compliance with International Financial Reporting Standards (IFRS).

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## **9. Audit qualification or review**

### *Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim report.

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## **10. Attachments**

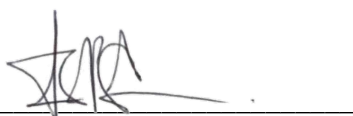
### *Details of attachments (if any):*

The Interim report of BOD Australia Limited for the half-year ended 31 December 2021 is attached.

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## **11. Signed**

Signed

A handwritten signature in black ink, appearing to read 'Joanne Patterson', written over a horizontal line.

Date: 25 February 2022

Joanne Patterson  
Director and Chief Executive Officer  
Sydney



# **BOD Australia Limited**

**ABN 89 601 225 441**

**Interim report - 31 December 2021**

Directors	Mark Masterson George Livery Joanne Patterson Simon O'Loughlin Akash Bedi Hanno Cappon
Company secretary	Stephen Kelly
Registered office	Suite 2, Level 10, 70 Phillip Street Sydney NSW 2000
Principal place of business	Level 1, 377 New South Head Road Double Bay NSW 2028
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000
Auditor	Nexia Sydney Audit Pty Ltd Level 16, 1 Market Street Sydney NSW 2000
Stock exchange listing	BOD Australia Limited shares are listed on the Australian Securities Exchange (ASX code: BOD)
Website	<a href="http://www.bodscience.com">www.bodscience.com</a>



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of BOD Australia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

### **Directors**

The following persons were directors of BOD Australia Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mark Masterson (Non-Executive Chairman)  
George Livery  
Joanne Patterson  
Simon O'Loughlin  
Akash Bedi  
Hanno Cappon (appointed on 21 July 2021)  
Patrice Malard (resigned on 21 July 2021)

### **Principal activities**

The principal activities of the consolidated entity during the half-year were the development of premium cannabidiol ('CBD') and hemp products for consumer markets in Australia, the United Kingdom, Europe and United States, as well as the development and distribution of therapeutic medicinal cannabis products based on Good Manufacturing Practice ('GMP') certified cannabis extracts for medical markets in Australia and the United Kingdom.

### **Review of operations**

Total revenue for the half-year was \$3,443,634, a 4% increase on the previous corresponding period ('PCP') (H1 FY2021: \$3,309,639).

Growth in revenue was attributed to the ongoing sale of medicinal cannabis products in the UK and Australia. During the half-year, revenue from sales of MediCabilis® contributed \$817,589, a 20% uplift on the PCP (H1 FY2021: \$679,894). The consolidated entity expects sales to increase in the coming half-year and has shipped 5,787 product units to customers, a 47% increase on the PCP (H1 FY2021: 3,941 product units), to satisfy increased market demand.

Sales of CBD and hemp products to global partner Health and Happiness Group Limited ("H&H", HKSE: 1112) contributed \$687,667 in revenue. This is a decrease on the PCP (H1 FY2021: \$1,262,671) and was primarily due to issues associated with product manufacturing referred to below. Further, both market entries and reoccurring sales have been slower than expected. The consolidated entity continues to work with H&H on international expansion opportunities and sales growth initiatives.

The consolidated entity's non-CBD, over-the-counter, legacy health and beauty products generated \$325,201 in sales, which is a reduction of the PCP (H1 FY2021: \$415,122) and reflects the consolidated entity's ongoing focus on growing both its medicinal cannabis and CBD and wellness divisions. Sales decreased due to the impact of COVID-19 on our retail customers for the product ranges, as well as some products being sold at a discount due to shelf life restrictions. The division was also impacted by stock availability, which has been rectified subsequent to the end of the half-year.

Total revenue generated for the half-year also included \$1,337,583 in R&D tax incentives (H1 FY2021: \$764,106), reflecting the increasing level of R&D activities.

The consolidated entity's loss from ordinary activities was \$2,169,856 (H1 FY2021: \$1,290,230). The increased loss is attributed to additional research and development costs of \$496,829, mainly relating to the planned Schedule 3 clinical trial, and higher employee costs due to the annualisation impact of roles added during FY2021. In addition, raw materials and consumables used includes a one-off cost of \$519,000 due to manufacturing issues associated with the consolidated entity's CBD wellness products, which were for sale in Italy. The consolidated entity has commenced steps to resolve this issue with its contract manufacturer and customer and expects to recover these costs in the coming months.

The consolidated entity held \$4,886,766 in cash and cash equivalents at the end of the half-year. This, alongside the pending receipt in the third quarter of the current R&D tax incentive receivable of \$1,152,520, provides the consolidated entity with significant financial flexibility to progress its clinical trial initiatives and international expansion opportunities across its medicinal cannabis and CBD and wellness product suite.

*Effects of COVID-19*

The consolidated entity has not experienced any adverse effect on operations from the COVID-19 pandemic. The consolidated entity has developed a stringent workplace safety policy, which is designed to ensure the safety of staff in key operating markets. The consolidated entity has continued to develop this strategy, alongside the evolving operating environment.

While some counterparties operating in markets including the United Kingdom and USA have witnessed minor delays in operations, the consolidated entity advises that its sales channels remain uninterrupted. Further and given its product ranges are centred on preventative healthcare, the consolidated entity will benefit from consumers moving towards supplementation to support wellbeing.

The consolidated entity does not rely on a single contract manufacturer and its raw material suppliers have adapted appropriate contingencies to ensure all aspects of the supply chain remain uninterrupted despite broader market conditions.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Joanne Patterson', written over a horizontal line.

Joanne Patterson  
Director and Chief Executive Officer

25 February 2022  
Sydney

To the Board of Directors of Bod Australia Limited

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

As lead audit director for the review of the interim financial statements of Bod Australia Limited for the financial half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



**Nexia Sydney Audit Pty Ltd**



**Joseph Santangelo**

Director

Date: 25 February 2022

Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	19
Independent auditor's review report to the members of BOD Australia Limited	20

## **General information**

The financial statements cover BOD Australia Limited as a consolidated entity consisting of BOD Australia Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is BOD Australia Limited's functional and presentation currency.

BOD Australia Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### **Registered office**

Suite 2, Level 10, 70 Phillip Street  
Sydney NSW 2000

### **Principal place of business**

Level 1, 377 New South Head Road  
Double Bay NSW 2028

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2022.



**BOD Australia Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**



		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers and other revenue</b>	3	3,443,634	3,309,639
Other income	4	219,686	76,718
Interest revenue calculated using the effective interest method		4,765	15,098
<b>Expenses</b>			
Raw materials and consumables used	5	(1,799,275)	(1,660,146)
Distribution expense		(346,525)	(341,234)
Research and development expense		(930,301)	(433,472)
Employee/director benefits expense		(1,751,498)	(1,345,743)
Depreciation and amortisation expense	5	(72,761)	(67,878)
Impairment of inventories		(6,450)	(175)
Marketing expense		(242,589)	(181,324)
Share-based payment expense	5	(124,606)	(208,002)
Other expenses		(563,936)	(453,711)
<b>Loss before income tax expense</b>		(2,169,856)	(1,290,230)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of BOD Australia Limited</b>		(2,169,856)	(1,290,230)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(31,016)	32,251
Other comprehensive income for the half-year, net of tax		(31,016)	32,251
<b>Total comprehensive income for the half-year attributable to the owners of BOD Australia Limited</b>		<u>(2,200,872)</u>	<u>(1,257,979)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14	(2.05)	(1.40)
Diluted earnings per share	14	(2.05)	(1.40)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	4,886,766	8,053,279
Trade and other receivables		356,678	729,798
Research and development tax incentive receivable		1,152,520	-
Inventories		557,611	407,580
Other assets	7	184,783	792,940
Total current assets		<u>7,138,358</u>	<u>9,983,597</u>
<b>Non-current assets</b>			
Research and development tax incentive receivable	8	185,063	-
Property, plant and equipment		32,172	30,465
Intangibles	9	414,737	337,906
Total non-current assets		<u>631,972</u>	<u>368,371</u>
<b>Total assets</b>		<u>7,770,330</u>	<u>10,351,968</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		777,711	808,215
Contract liabilities		102,158	106,313
Employee benefits		137,925	123,384
Accrued expenses	10	158,278	653,532
Total current liabilities		<u>1,176,072</u>	<u>1,691,444</u>
<b>Non-current liabilities</b>			
Employee benefits		10,000	-
Total non-current liabilities		<u>10,000</u>	<u>-</u>
<b>Total liabilities</b>		<u>1,186,072</u>	<u>1,691,444</u>
<b>Net assets</b>		<u>6,584,258</u>	<u>8,660,524</u>
<b>Equity</b>			
Issued capital		29,395,185	29,395,185
Reserves		3,243,185	3,149,595
Accumulated losses		(26,054,112)	(23,884,256)
<b>Total equity</b>		<u>6,584,258</u>	<u>8,660,524</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**BOD Australia Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2021**



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	21,894,590	2,570,566	(19,658,151)	4,807,005
Loss after income tax expense for the half-year	-	-	(1,290,230)	(1,290,230)
Other comprehensive income for the half-year, net of tax	-	32,251	-	32,251
Total comprehensive income for the half-year	-	32,251	(1,290,230)	(1,257,979)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	7,500,595	-	-	7,500,595
Share-based payments	-	208,002	-	208,002
Balance at 31 December 2020	<u>29,395,185</u>	<u>2,810,819</u>	<u>(20,948,381)</u>	<u>11,257,623</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	29,395,185	3,149,595	(23,884,256)	8,660,524
Loss after income tax expense for the half-year	-	-	(2,169,856)	(2,169,856)
Other comprehensive income for the half-year, net of tax	-	(31,016)	-	(31,016)
Total comprehensive income for the half-year	-	(31,016)	(2,169,856)	(2,200,872)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	124,606	-	124,606
Balance at 31 December 2021	<u>29,395,185</u>	<u>3,243,185</u>	<u>(26,054,112)</u>	<u>6,584,258</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**BOD Australia Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2021**



	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	2,261,992	2,298,100
Payments to suppliers and employees (inclusive of GST)	(5,501,283)	(5,660,217)
Interest received	4,765	15,098
Government grants received	173,094	50,000
Net cash used in operating activities	(3,061,432)	(3,297,019)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(14,229)	(13,894)
Payments for intangibles	(111,539)	(4,453)
Payments for security deposits	-	(303)
Net cash used in investing activities	(125,768)	(18,650)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	8,000,000
Share issue transaction costs	-	(499,405)
Net cash from financing activities	-	7,500,595
Net (decrease)/increase in cash and cash equivalents	(3,187,200)	4,184,926
Cash and cash equivalents at the beginning of the financial half-year	8,053,279	6,385,663
Effects of exchange rate changes on cash and cash equivalents	20,687	1,445
Cash and cash equivalents at the end of the financial half-year	<u>4,886,766</u>	<u>10,572,034</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss after tax of \$2,169,856 (31 December 2020: \$1,290,230) and incurred net operating cash outflows for the half-year of \$3,061,432 (31 December 2020: \$3,297,019). As at 31 December 2021, the consolidated entity had cash and cash equivalents of \$4,886,766 (30 June 2021: \$8,053,279), as well as a current research and development tax incentive receivable of \$1,152,520 expected to be received during the third quarter.

The ability of the consolidated entity to continue as a going concern is principally dependent upon managing its cash reserves to balance the execution of its growth strategy with maintaining adequate working capital reserves.

Having carefully assessed the consolidated entity's forecasts and its ability to effectively manage expenditures and cash flows from operations, the directors believe that the consolidated entity's existing cash reserves are adequate to fund its planned operations for at least 12 months from the date of this report.

Taking into consideration the above matters, the directors believe there is a reasonable basis to prepare the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

### **Comparatives**

Comparatives have been realigned where necessary, to be consistent with current year presentation. There was no effect on profit, net assets or equity.

## **Note 2. Operating segments**

### *Identification of reportable operating segments*

The consolidated entity is organised into three operating segments: medical, over the counter cannabidiol/Hemp ('OTC CBD/Hemp') and OTC Herbals. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The consolidated entity's operations and assets are principally located in Australia, United Kingdom, European Union and the United States of America.

The CODM reviews the performance of the consolidated entity by reviewing the growth in sales revenue and the profit or loss for the period. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

### *Operating segment information*

	<b>Medical</b>	<b>OTC</b>	<b>OTC</b>	
	<b>\$</b>	<b>CBD/Hemp</b>	<b>Herbals</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated - 31 Dec 2021</b>				
<b>Revenue</b>				
Sale of goods	817,589	687,667	325,201	1,830,457
Royalty	-	133,613	-	133,613
Other revenue	1,135,858	343,706	-	1,479,564
Interest revenue	1,589	1,588	1,588	4,765
Other income	123,740	27,793	68,153	219,686
<b>Total revenue</b>	<b>2,078,776</b>	<b>1,194,367</b>	<b>394,942</b>	<b>3,668,085</b>
<b>Segment result</b>	<b>(816,201)</b>	<b>(703,718)</b>	<b>(446,120)</b>	<b>(1,966,039)</b>
Depreciation and amortisation	(24,254)	(24,254)	(24,253)	(72,761)
Impairment of assets	-	-	(6,450)	(6,450)
Share based payments	(41,535)	(41,535)	(41,536)	(124,606)
<b>Loss before income tax expense</b>	<b>(881,990)</b>	<b>(769,507)</b>	<b>(518,359)</b>	<b>(2,169,856)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(2,169,856)</b>
<b>Assets</b>				
Segment assets	3,291,664	2,656,750	1,821,916	7,770,330
<b>Total assets</b>				<b>7,770,330</b>
<b>Liabilities</b>				
Segment liabilities	588,429	321,433	276,210	1,186,072
<b>Total liabilities</b>				<b>1,186,072</b>

**Note 2. Operating segments (continued)**

	<b>Medical</b>	<b>OTC</b>	<b>OTC</b>	
	<b>\$</b>	<b>CBD/Hemp</b>	<b>Herbals</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated - 31 Dec 2020</b>				
<b>Revenue</b>				
Sale of goods	679,894	1,262,671	415,122	2,357,687
Royalty	-	36,070	-	36,070
Other revenue	458,463	457,419	-	915,882
Other income	25,573	25,573	25,572	76,718
Interest revenue	5,033	5,033	5,032	15,098
<b>Total revenue</b>	<b>1,168,963</b>	<b>1,786,766</b>	<b>445,726</b>	<b>3,401,455</b>
<b>Segment result</b>	(497,277)	(23,119)	(493,779)	(1,014,175)
Depreciation and amortisation	(22,626)	(22,626)	(22,626)	(67,878)
Impairment of assets	-	-	(175)	(175)
Share based payments	(69,334)	(69,334)	(69,334)	(208,002)
<b>Loss before income tax expense</b>	<b>(589,237)</b>	<b>(115,079)</b>	<b>(585,914)</b>	<b>(1,290,230)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(1,290,230)</b>
<b>Consolidated - 30 Jun 2021</b>				
<b>Assets</b>				
Segment assets	3,488,163	4,033,123	2,830,682	10,351,968
<b>Total assets</b>				<b>10,351,968</b>
<b>Liabilities</b>				
Segment liabilities	628,201	739,977	323,266	1,691,444
<b>Total liabilities</b>				<b>1,691,444</b>

*Geographical information*

	<b>Sales to external customers</b>		<b>Geographical non-current assets</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Australia	1,101,251	1,350,508	621,044	355,386
United Kingdom	333,211	713,495	10,928	12,985
European Union	395,995	293,684	-	-
	<b>1,830,457</b>	<b>2,357,687</b>	<b>631,972</b>	<b>368,371</b>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

**Note 3. Revenue from contracts with customers and other revenue**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from contracts with customers</i>		
Sale of goods	1,830,457	2,357,687
Royalty	133,613	36,070
Research and development fee income	-	151,776
	<u>1,964,070</u>	<u>2,545,533</u>
<i>Other revenue</i>		
Other income	141,981	-
Research and development tax incentive	1,337,583	764,106
	<u>1,479,564</u>	<u>764,106</u>
 Revenue from contracts with customers and other revenue	 <u><u>3,443,634</u></u>	 <u><u>3,309,639</u></u>

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$</b>	<b>\$</b>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	1,964,070	2,393,757
Services transferred over time	-	151,776
	<u>1,964,070</u>	<u>2,545,533</u>

The disaggregation of revenue by major product lines and geographical regions is presented in note 2 - operating segments.

**Note 4. Other income**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$</b>	<b>\$</b>
Net foreign exchange gain	46,592	26,718
Government grants	173,094	50,000
Other income	<u>219,686</u>	<u>76,718</u>

*Government grants*

During the half-year the consolidated entity received payments from the New South Wales Government in response to the Coronavirus ('COVID-19') pandemic. An amount of \$15,000 (31 Dec 2020: \$nil) was received as part of its 'Small Business Hardship Grant' and \$158,094 (31 Dec 2020: \$nil) for the 'JobSaver' scheme. In the prior year, the consolidated entity received payments totalling \$50,000 from the Australian Government as part of its 'Boosting Cash Flow for Employers' scheme. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the consolidated entity will comply with any conditions attached.



**Note 5. Expenses**

**Consolidated**  
**31 Dec 2021    31 Dec 2020**  
**\$                    \$**

Loss before income tax includes the following specific expenses:

<i>Cost of sales</i>		
Cost of sales	1,799,275	1,660,146
<i>Depreciation</i>		
Plant and equipment	11,516	10,278
<i>Amortisation</i>		
Patents and trademarks	19,114	15,469
Product development	42,131	42,131
Total amortisation	61,245	57,600
Total depreciation and amortisation	72,761	67,878
<i>Leases</i>		
Short-term lease payments	57,933	66,013
<i>Superannuation expense</i>		
Defined contribution superannuation expense	140,058	92,678
<i>Share-based payments expense</i>		
Share-based payments expense	124,606	208,002

**Note 6. Current assets - cash and cash equivalents**

**Consolidated**  
**31 Dec 2021    30 Jun 2021**  
**\$                    \$**

Cash at bank and cash on hand	4,886,766	6,053,279
Cash on deposit	-	2,000,000
	<u>4,886,766</u>	<u>8,053,279</u>

**Note 7. Current assets - other assets**

**Consolidated**  
**31 Dec 2021    30 Jun 2021**  
**\$                    \$**

Prepayments - contract manufacturers	-	644,148
Prepayments	159,457	120,201
Security deposits	25,326	28,591
	<u>184,783</u>	<u>792,940</u>

**Note 8. Non-current assets - research and development tax incentive receivable**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$</b>	<b>\$</b>
Research and development tax incentive receivable	185,063	-

The non-current portion of the research and development tax receivable represents the amount expected to be received from the Australian Tax Office following the lodgement of the parent company's tax return for the year ending 30 June 2022.

**Note 9. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$</b>	<b>\$</b>
Patents and trademarks - at cost	157,461	96,072
Less: Accumulated amortisation	(89,670)	(71,043)
	<u>67,791</u>	<u>25,029</u>
Product development	417,875	417,875
Less: Accumulated amortisation	(147,129)	(104,998)
	<u>270,746</u>	<u>312,877</u>
Website development - at cost	76,200	-
	<u>414,737</u>	<u>337,906</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	<b>Patents and trademarks</b>	<b>Product development</b>	<b>Website development</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated</b>				
Balance at 1 July 2021	25,029	312,877	-	337,906
Additions	62,267	-	76,200	138,467
Disposals	(391)	-	-	(391)
Amortisation expense	(19,114)	(42,131)	-	(61,245)
Balance at 31 December 2021	<u>67,791</u>	<u>270,746</u>	<u>76,200</u>	<u>414,737</u>

**Note 10. Current liabilities - accrued expenses**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$</b>	<b>\$</b>
Accrued expenses	158,278	653,532

Accrued expenses at 30 June 2021 included an accrual for short-term incentives for Bod employees based on the achievement of annual profit targets.

**Note 11. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

## **Note 12. Contingent assets and liabilities**

There were no contingent assets or contingent liabilities as at 31 December 2021 and 30 June 2021.

## **Note 13. Commitments**

	31 Dec 2021 \$	30 Jun 2021 \$
<b>Participation in Project Twenty21 medicinal cannabis project:</b>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>46,503</u>	<u>179,535</u>

The commitment relates to participation in a global medicinal project with four other large companies. The commitment is payable in British pounds and the total amount is GBP £25,000.

	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
<i>Short-term lease commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>26,295</u>	<u>44,502</u>

The company leases premises on a month to month basis cancellable with 3 months' notice. The net monthly cost is \$8,765.

## **Note 14. Earnings per share**

	Consolidated 31 Dec 2021 \$	31 Dec 2020 \$
Loss after income tax attributable to the owners of BOD Australia Limited	<u>(2,169,856)</u>	<u>(1,290,230)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>105,914,920</u>	<u>92,476,184</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>105,914,920</u>	<u>92,476,184</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(2.05)	(1.40)
Diluted earnings per share	(2.05)	(1.40)

As at the reporting date, the consolidated entity had 9,799,203 (31 Dec 2020: 9,553,288) potential ordinary shares (including escrowed and future vesting) that could potentially dilute basic earnings per share in the future, but were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

## Note 15. Share-based payments

The following share-based payment arrangements were outstanding during the period:

### 31 Dec 2021

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
24/07/2018	30/06/2022	\$0.50	550,000	-	-	-	550,000
24/07/2018	30/06/2023	\$0.50	750,000	-	-	-	750,000
24/07/2018	30/06/2024	\$0.50	1,000,000	-	-	-	1,000,000
26/11/2018	26/11/2021	\$0.50	550,000	-	-	-	550,000
26/11/2018	*	\$0.50	798,373	-	-	-	798,373
26/11/2018	*	\$0.50	798,373	-	-	-	798,373
26/11/2018	*	\$0.50	798,374	-	-	-	798,374
09/12/2019	09/12/2022	\$0.47	2,750,000	-	-	-	2,750,000
18/12/2020	18/12/2023	\$0.75	500,000	-	-	-	500,000
18/12/2020	18/12/2025	\$0.00	407,552	-	-	-	407,552
18/12/2020	18/12/2025	\$0.00	407,552	-	-	-	407,552
01/07/2021	21/12/2026	\$0.00	-	293,889	-	-	293,889
22/11/2021	21/12/2026	\$0.00	-	195,090	-	-	195,090
			9,310,224	488,979	-	-	9,799,203

Weighted average exercise price	\$0.55	\$0.00	\$0.00	\$0.00	\$0.55
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\* These options do not have a fixed expiry date and will expire 3 years after vesting date which is determined by reference to the achievement of specified VWAP conditions.

### 31 Dec 2020

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
17/11/2017	17/11/2020	\$0.20	300,000	-	-	(300,000)	-
17/11/2017	17/11/2020	\$0.25	500,000	-	-	(500,000)	-
17/11/2017	17/11/2020	\$0.30	200,000	-	-	(200,000)	-
24/07/2018	30/06/2022	\$0.50	550,000	-	-	-	550,000
24/07/2018	30/06/2023	\$0.50	750,000	-	-	-	750,000
24/07/2018	30/06/2024	\$0.50	1,000,000	-	-	-	1,000,000
26/11/2018	26/11/2021	\$0.50	550,000	-	-	-	550,000
26/11/2018	*	\$0.50	798,373	-	-	-	798,373
26/11/2018	*	\$0.50	798,373	-	-	-	798,373
26/11/2018	*	\$0.50	798,374	-	-	-	798,374
09/12/2019	09/12/2022	\$0.47	2,750,000	-	-	-	2,750,000
18/12/2020	18/12/2023	\$0.75	-	500,000	-	-	500,000
18/12/2020	25/11/2025	\$0.00	-	529,084	-	-	529,084
18/12/2020	25/11/2025	\$0.00	-	529,084	-	-	529,084
			8,995,120	1,558,168	-	(1,000,000)	9,553,288

Weighted average exercise price	\$0.50	\$0.72	\$0.00	\$0.25	\$0.56
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\* These options do not have a fixed expiry date and will expire 3 years after vesting date which is determined by reference to the achievement of specified VWAP conditions.

**Note 15. Share-based payments (continued)**

Set out below are the options exercisable at the end of the financial period:

<b>Grant date</b>	<b>Expiry date</b>	<b>31 Dec 2021 Number</b>	<b>30 Jun 2021 Number</b>
09/12/2019	09/12/2022	2,750,000	2,750,000
18/12/2020	18/12/2023	500,000	-
		<u>3,250,000</u>	<u>2,750,000</u>

**Note 16. Events after the reporting period**

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the consolidated entity, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the consolidated entity's operations going forward. The consolidated entity now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Joanne Patterson', written over a horizontal line.

Joanne Patterson  
Director and Chief Executive Officer

25 February 2022  
Sydney

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BOD Australia Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of BOD Australia Limited (the Company and its subsidiaries ("the Group")), which comprises the Statement of Financial Position as at 31 December 2021, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

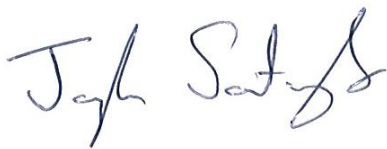
### **Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Nexia Sydney Audit Pty Ltd**



**Joseph Santangelo**

Director

Dated: 25 February 2022

Sydney