
Bod Completes \$6.4m Strategic Placement

- Bod completes oversubscribed Placement of \$6.4 million led by globally renowned fund manager and leading international cannabis investor, Tribeca Investment Partners (**Tribeca**)
- Tribeca have cornerstoned the placement with a \$1.9 million commitment - Tribeca to become a substantial shareholder upon settlement of the transaction
- Executive Chairman George Livery, Executive Director Stephen Thompson and other Non-Executive Directors have committed to invest funds totaling \$0.45m subject to shareholder approval
- Funds will be utilised to drive global expansion, broaden existing channels to market domestically and internationally and progress opportunities following successful completion of Phase I Clinical trials for Bod's sublingual cannabis wafer
- Financial flexibility allows Bod to build capabilities in key international markets such as Germany, the United Kingdom and North America - Company to leverage relationships with already established international counterparties to drive growth
- The Placement was jointly led by Taylor Collison and Canaccord Genuity
- Canaccord Genuity is a leading global investment bank in the emerging cannabis sector - recently having advised the largest global cannabis companies including Aurora Cannabis Ltd (TSX:ACB C\$11.6B), Canopy Growth Corporation (TSX:WEED C\$15.46B) and Aphria Inc (TSX:APH C\$4.26B)

Sydney, Australia – 28 September 2018: Developer and distributor of natural, evidence-based skincare, natural medicines including medicinal cannabis and health products, Bod Australia Limited ("Bod" or the "Company") (ASX: BDA) is pleased to advise it has successfully raised \$6.4m (before costs), through a private placement (Placement) of 12 million new fully paid ordinary shares at \$0.53 per share to new and existing institutional and sophisticated investors.

The Company is also pleased that its Board of Directors, including newly appointed Executive Chairman George Livery and Executive Director Stephen Thompson, have also committed \$0.45m in addition to the Placement, subject to shareholder approval which will be sought at the Annual General Meeting to be held 19 November 2018.

Bod advises that there was strong demand for the Placement amongst new and existing institutional investors. The Placement was conducted at \$0.53, representing an 11.7% discount to the last traded price of \$0.600, a 7.7% discount to the 15 day volume weighted average price (VWAP) of \$0.574 and a 10.2% discount to the 30 day VWAP of \$0.590. This Placement satisfies the pricing requirements specified under 7.1A.3 of the Listing Rules.

Funds will be utilised to accelerate sales through Bod's established domestic distributions channels and pursue international sales growth through relationships with organisations holding established distribution pathways to customers in Mainland China, commonly referred to as Daigous.

This financial flexibility also allows Bod to build capabilities in key international markets such as North America, the United Kingdom and multiple countries in the European Union, in which it is already witnessing significant growth opportunities. Bod expects to leverage its existing relationships with key international partners iX Biopharma and Linnea SA (owned by Ipsen and Schwabe Group) to underpin this international expansion.

Further, capital will be deployed to progress opportunities, on a domestic and international scale, subsequent to the completion of its Phase I Clinical trial. These initiatives include potential Phase 1B or Phase 2 Clinical trials as well as other international R&D opportunities, all of which are currently being explored by the Board and management.

Taylor Collison and Canaccord Genuity acted as Joint Lead Managers to the Placement.

Bod Australia CEO Jo Patterson said: “We are most encouraged by the support received for this Placement and welcome all new institutional and sophisticated investors to the register. I would also like to thank the Board of Directors for their vote of confidence and commitment of capital.

“Strengthening the Company’s balance sheet through a strategic capital raise is a key step in positioning Bod for growth in the coming months. It delivers further confidence to our counterparties domestically and internationally and demonstrates that we are adequately funded to pursue multiple initiatives that will drive our vertical integration and unlock shareholder value.

“The Company remains focused on the completion of its Phase I Clinical trials and the opportunities which may present themselves following a successful conclusion, as well as securing additional market share for our range of leading health and wellness products.

“I look forward to updating shareholders on operational progress and other developments shortly.”

Placement details:

The Placement was offered to investors satisfying the requirements of either s708(8), 708(10) or 708(11) of the Corporations Act, and will be allocated as below:

- A. 6,356,800 of the Placement shares will be taken from the Company’s 15% placement capacity in accordance with ASX Listing Rule 7.1; and
- B. 5,643,200 of the Placement shares will be taken from the Company’s 10% additional placement capacity under ASX Listing Rule 7.1A.

Settlement of the placement shares is expected to occur on 5 October 2018. Pursuant to ASX Listing Rule 3.10.5A, the Company states that:

- A. The dilutive effect of the New Shares on existing shareholders as a result of the Private Placement is approximately 21.26% of which 11.26% is as a result of the shares issued under ASX Listing Rule 7.1 and 10.00% as a result of the shares issued under ASX Listing Rule 7.1A. Following completion, pre-Placement security holders will hold approximately 82.46% of fully paid ordinary shares on issue;

- B. The Company considered the Placement as the most strategic, efficient and expedient method for raising these funds;
- C. No other fees or costs were incurred in connection with the issue, apart from a Selling fee of 4% and a Management fee of 2% (+GST where applicable) of the total Placement amount. This includes any sub-broker arrangements that Canaccord and Taylor Collison may have. Subject to shareholder approval, the fee also includes the issue of broker options on the terms outlined in Appendix 1.; and
- D. The Placement is not underwritten.

In addition to the Placement described above, the Company has entered into agreements to issue 0.85 million shares at the Placement price of \$0.53 per share with Directors of the Company subject to shareholder approval:

Director	Number of shares to be issued	Price per share	Funds to be received by the Company
George Livery	300,000	\$0.53	\$159,000
Stephen Thompson	300,000	\$0.53	\$159,000
Simon O'Loughlin	100,000	\$0.53	\$53,000
Simon Taylor	100,000	\$0.53	\$53,000
Mickey Perrett	50,000	\$0.53	\$26,500
	850,000		\$450,500

For more information: bodaustralia.com

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About Bod Australia

Bod Australia Limited operates two integrated business units. The Company is a developer and distributor of cosmetics, skincare, natural medicines and health supplements, focused on all natural, evidence-based products. Bod has developed a significant distribution footprint in the Australian market with access to over 950 pharmacies and is also targeting Asian markets through key daigou relationships. Bod Australia has also built a multi-faceted cannabis business underpinned by a supply and collaboration agreement with Swiss botanical extracts manufacturer, Linnea Natural Pharma Solutions and an exclusive licence and manufacturing agreement with Singapore listed company iX Biopharma. The Company aims to develop a range of over the counter and therapeutic products based on GMP-certified cannabis extracts.

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Appendix:

Terms of Broker Options to be issued subject to Shareholder Approval

The Company has agreed, subject to Shareholder approval, to issue to Canaccord 2,395,120 corporate advisor options on the following terms:

- A. 1/3 exercisable at \$0.55 with a three-year term from vesting date, vesting on the date the Company's 10-day VWAP exceeds \$0.75;
- B. 1/3 exercisable at \$0.65 with a three-year term from vesting date, vesting on the date the Company's 10-day VWAP exceeds \$1.00;
- C. 1/3 exercisable at \$0.75 with a three-year term from vesting date, vesting on the date the Company's 10-day VWAP exceeds \$1.25;