
Bod Enters Exclusive Agreement to Develop Proprietary Hemp Manuka Honey Product Line

- **Strategic agreement signed with leading New Zealand Manuka Honey Producer, Manuka Pharma, to develop and manufacture hemp honey product line**
- **Bod to own all associated intellectual property and secure worldwide distribution rights**
- **Highly complementary expansion of nutritional product portfolio – additional cosmetic and supplement product line extensions being explored**
- **New product line to be sold through Bod’s established sales channels and Chinese networks with sales expected to commence first half 2018**
- **Bod continues to explore opportunities to broaden product range and channels to market**

Sydney, Australia – 18 January 2018: Developer and distributor of natural, evidence-based cosmetics and natural medicines, Bod Australia Limited (“Bod” or the “Company”) (ASX: BDA) is pleased to advise it has entered into an exclusive Heads of Agreement (“HOA”) with New Zealand-based Manuka Honey producer, Manuka Pharma, for the development, manufacture and supply of a hemp-based, high methylglyoxal (MGS) Manuka Honey product line.

Under the HOA, Manuka Pharma will source, develop and manufacture the product, while Bod has agreed to import the finished product into Australia for packaging under Bod’s brand and logo, or any other brand or logo chosen by the Company.

In the latest export data, New Zealand's biggest honey markets are Australia, the UK, China and Hong Kong. Global import demand is estimated to be about US\$2.1 billion (NZ\$3.1 billion)ⁱ. The largest growth opportunities for New Zealand exporters are believed to be the wealthier countries who are high consumers of honey where New Zealand has low penetration such as the US, Germany, France and other European countries such as Belgium, the Netherlands and Switzerlandⁱⁱ.

While the high volume markets tend to pay \$21-\$28 a kilogram, higher value markets will pay \$30-\$50/kg and medical grade Manuka can fetch up to \$1,000/kgⁱⁱⁱ.

Bod Australia will leverage initial sales through its established relationships with pharmacy banner groups, and independents within Australia and also target health food and supplement stores. As part of the agreement, Bod will also leverage its strategic partnerships throughout key Asian markets, most notably in China through its key daigou relationships.

Expansion into additional key markets throughout both North America and Europe will also be pursued, and the Company looks forward to updating shareholders on these expansion plans in due course.

The initial finished product will provide consumers with a source of high quality protein and essential fatty acids from the addition of hemp seeds, as well as the added health benefits of a high-grade, high MGS Manuka Honey. These benefits are well documented and include a reduction in stomach acids and acid reflux, combatting staph infections, improving sleep quality and the prevention of tooth decay and gingivitis; it may help treat acne and eczema.

While the product significantly enhances the Company’s nutritional product portfolio, a range of product line extensions are also being considered. Through the HOA, Bod Australia and Manuka Pharma will explore the



ongoing opportunities around cosmetic and supplement applications to market in Australia, Asia, Europe and North America.

Bod Australia CEO Jo Patterson said: "This is a highly complementary partnership for the business as it will not only enhance our nutritional product portfolio, but it will also provide an additional revenue stream for the Company in the near-term.

"Following the development and manufacture of the product, we expect to realise sales in Australia during the first half of 2018, with sales into Asia and other regions such as the UK and North America to follow.

"Manuka Pharma is renowned as a provider of the highest quality Manuka products in the world and we look forward to working with them on a range of cosmetics and supplements for Australia and international markets.

"Bod Australia is continually pursuing a number of opportunities to further build its distribution footprint and grow its product portfolio and we look forward to updating shareholders around any potential developments in the near term."

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 and natural medicines, focused on all natural, evidence based products. Bod has developed a significant distribution footprint in the Australian market with access to over 800 pharmacies and is also targeting Asian markets through key daigou relationships. Bod Australia is also building a sustainable, multi-faceted cannabis business through a supply and collaboration agreement with Swiss botanical extracts manufacturer, Linnea Natural Pharma Solutions. The Company aims to develop a range of over the counter and therapeutic products based on GMP-certified cannabis extracts.

About Manuka Pharma

Manuka Pharma commenced commercial operations in 2015 and has over 20 years experience in the honey industry. The Company holds longstanding relationships with local producers and sources its product from multiple regions across New Zealand, ensuring the highest quality honey.

Manuka Pharma has significant experience in exporting products to Australia, the United States, and China and was pivotal in building a distribution and supply network for New Zealand's Manuka Honey industry in Indonesia and Japan. The Company was the first to produce Manuka honey in glass jars for Australian and New Zealand retailers and these products are still available to localised consumers today.

www.manukapharma.com.au

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ⁱ http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11569991

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