

## 1. Company details

Name of entity:	Elixinol Global Limited
ABN:	34 621 479 794
Reporting period:	For the year ended 31 December 2018
Previous period:	For the year ended 31 December 2017

## 2. Results for announcement to the market

The directors present this Appendix 4E on the consolidated entity (referred to as the 'Group') consisting of Elixinol Global Limited (referred to as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2018.

The Group has adopted Accounting Standards AASB 9 'Financial Instruments' and AASB 15 'Revenue from Contracts with Customers' for the year ended 31 December 2018. The Accounting Standards have been applied retrospectively and comparatives have been restated, where applicable.

			<b>\$'000</b>
Revenue from ordinary activities	up	> 100.0% to	37,131
Loss from ordinary activities after tax attributable to the owners of Elixinol Global Limited	down	68.3% to	(860)
Loss for the year attributable to the owners of Elixinol Global Limited	down	68.3% to	(860)
			<b>Year to 31 Dec 2018 Cents</b>
			<b>Period from 4 Sep 2017 to 31 Dec 2017 Cents</b>
Basic loss per share			(0.76) (62.16)
Diluted loss per share			(0.76) (62.16)

### Dividends

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

### Comments

The loss for the Group after providing for income tax amounted to \$860,000 (31 December 2017: \$2,711,000).

The Group was formed through an equity settled business combination which became effective 27 December 2017. Accordingly, the comparative results reflect the activities of acquired entities for the period between 27 December 2017 and 31 December 2017. No revenues are reported due to all operational activities ceasing during this 4 day holiday period. The comparative results also reflect the activities of the parent company since its incorporation on 4 September 2017 through 31 December 2017 which primarily relate to the acquisition of the entities and preparing the Group for an initial public offering.

Key highlights are as follows:

- Group revenue increased to \$37,131,000 driven by continued strong sales by Elixinol LLC;
- Reported EBITDA (earnings before interest, tax, depreciation and amortisation) loss of \$114,000 compared to \$2,718,000 loss in the prior period;
- Strong statement of financial position with net cash of \$42,672,000 to drive international growth;
- Elixinol LLC investing to build a global presence, with significant capital deployed into scale-up, following positive regulatory developments;
- Hemp Foods Australia Pty Ltd invested for top line growth during the year with revenue growing to \$4,677,000; and
- Nunyara Pharma Pty Ltd unique 60 acre land holding purchased in Australia in early 2019, post year end.

Also refer to ASX market announcement accompanying this Appendix 4E for further commentary.

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>46.15</u>	<u>17.96</u>

### 4. Control gained over entities

Not applicable.

### 5. Loss of control over entities

Not applicable.

### 6. 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.

### 7. Dividend reinvestment plans

Not applicable.

### 8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
Associates:				
- Elixinol Co. Ltd	50.50%	10.00%	(47)	-
- H&W Holdings LLC	19.88%	18.50%	-	-
- Hemp Foods Japan	50.50%	25.00%	-	-
Joint venture:				
- Northern Colorado High Plains Producers	50.00%	-	(651)	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			(698)	-

### 9. Foreign entities

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

Not applicable.

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## 10. Audit qualification or review

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

The Annual Report is currently in the process of being audited and an unqualified opinion is expected to be issued.

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## 11. Attachments

*Details of attachments (if any):*

The Preliminary Financial Report of Elixinol Global Limited for the year ended 31 December 2018 is attached.

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## 12. Signed



Signed \_\_\_\_\_

Date: 26 February 2019

Ron Dufficy  
Chief Financial Officer and Company Secretary  
Sydney



**Elixinol Global Limited**

**ABN 34 621 479 794**

**Preliminary Financial Report - 31 December 2018**



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**Elixinol Global Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2018**



	Note	Year to 31 Dec 2018 \$'000	Period from 4 Sep 2017 to 31 Dec 2017 \$'000 (Restated)
<b>Revenue</b>	3	37,131	-
Share of losses of associates and joint ventures accounted for using the equity method	4	(698)	-
Other income		713	-
Interest revenue calculated using the effective interest method		441	2
Recovery of impairment of receivables		21	-
<b>Expenses</b>			
Raw materials and consumables used		(17,175)	-
Employee benefits expenses and Directors' fees		(7,120)	(588)
Depreciation and amortisation expense		(824)	(17)
Professional services expenses		(1,931)	(1,820)
Sales and marketing expenses		(6,388)	(12)
Administrative expenses		(3,642)	(298)
Distribution costs		(1,025)	-
<b>Loss before income tax (expense)/benefit</b>		(497)	(2,733)
Income tax (expense)/benefit		(363)	22
<b>Loss after income tax (expense)/benefit for the year attributable to the owners of Elixinol Global Limited</b>		(860)	(2,711)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		430	-
Share of associate other comprehensive income		137	-
Other comprehensive income for the year, net of tax		567	-
<b>Total comprehensive loss for the year attributable to the owners of Elixinol Global Limited</b>		(293)	(2,711)
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	6	(0.76)	(62.16)
Diluted loss per share	6	(0.76)	(62.16)

Refer to note 1 for detailed information on Adoption of new standards and restatement of comparatives.

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

	Note	31 Dec 2018 \$'000	31 Dec 2017 \$'000 (Restated)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		42,922	18,834
Trade and other receivables		3,366	1,211
Contract assets		77	-
Inventories		6,976	2,470
Other		3,614	816
<b>Total current assets</b>		<u>56,955</u>	<u>23,331</u>
<b>Non-current assets</b>			
Investments accounted for using the equity method	4	4,524	-
Property, plant and equipment		5,966	1,064
Intangibles		80,356	80,608
Deferred tax		724	83
<b>Total non-current assets</b>		<u>91,570</u>	<u>81,755</u>
<b>Total assets</b>		<u>148,525</u>	<u>105,086</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		5,865	1,058
Contract liabilities		720	201
Borrowings		-	38
Income tax		98	206
Provisions		147	60
Accrued expenses		368	894
<b>Total current liabilities</b>		<u>7,198</u>	<u>2,457</u>
<b>Non-current liabilities</b>			
Borrowings		250	250
Deferred tax		3,145	3,200
Provisions		90	90
<b>Total non-current liabilities</b>		<u>3,485</u>	<u>3,540</u>
<b>Total liabilities</b>		<u>10,683</u>	<u>5,997</u>
<b>Net assets</b>		<u>137,842</u>	<u>99,089</u>
<b>Equity</b>			
Issued capital	5	139,612	101,800
Reserves		1,801	-
Accumulated losses		(3,571)	(2,711)
<b>Total equity</b>		<u>137,842</u>	<u>99,089</u>

Refer to note 1 for detailed information on Adoption of new standards and restatement of comparatives.

**Elixinol Global Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 31 December 2018**



	Issued capital \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 4 September 2017	-	-	-	-	-	-
Loss after income tax benefit for the year	-	-	-	-	(2,711)	(2,711)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(2,711)	(2,711)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 5)	101,800	-	-	-	-	101,800
Balance at 31 December 2017	<u>101,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,711)</u>	<u>99,089</u>
	Issued capital \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2018	101,800	-	-	-	(2,711)	99,089
Loss after income tax expense for the year	-	-	-	-	(860)	(860)
Other comprehensive income for the year, net of tax	-	430	-	137	-	567
Total comprehensive income/(loss) for the year	-	430	-	137	(860)	(293)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 5)	37,812	-	-	-	-	37,812
Share-based payments	-	-	1,234	-	-	1,234
Balance at 31 December 2018	<u>139,612</u>	<u>430</u>	<u>1,234</u>	<u>137</u>	<u>(3,571)</u>	<u>137,842</u>

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

**Elixinol Global Limited**  
**Consolidated statement of cash flows**  
**For the year ended 31 December 2018**



	Note	Year to 31 Dec 2018 \$'000	Period from 4 Sep 2017 to 31 Dec 2017 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		36,299	78
Payments to suppliers and employees (inclusive of GST)		(41,223)	(727)
Interest received		326	-
Income taxes paid		(1,167)	-
		<u>          </u>	<u>          </u>
Net cash used in operating activities		(5,765)	(649)
<b>Cash flows from investing activities</b>			
Net cash acquired on purchase of subsidiaries		-	1,808
Payments for equity accounted investments		(3,967)	-
Payments for property, plant and equipment		(4,315)	(9)
Payments for intangibles		(174)	-
Payments for security deposits		(13)	-
Proceeds from disposal of property, plant and equipment		4	-
Proceeds from loans in other entities *		-	500
		<u>          </u>	<u>          </u>
Net cash from/(used in) investing activities		(8,465)	2,299
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	5	40,000	20,000
Share issue transaction costs	5	(2,188)	(1,129)
Repayment of borrowings		(38)	-
Other transaction costs related to the offer		-	(1,687)
		<u>          </u>	<u>          </u>
Net cash from financing activities		37,774	17,184
Net increase in cash and cash equivalents		23,544	18,834
Cash and cash equivalents at the beginning of the financial year		18,834	-
Effects of exchange rate changes on cash and cash equivalents		544	-
		<u>          </u>	<u>          </u>
Cash and cash equivalents at the end of the financial year		<u><u>42,922</u></u>	<u><u>18,834</u></u>

\* Loan proceeds from Elixinol Australia prior to its acquisition by Elixinol Global Limited.

## Note 1. Adoption of new standards and restatement of comparatives

### *Adoption of AASB 9 'Financial Instruments'*

The Group has adopted AASB 9 from 1 January 2018, using the full retrospective method of adoption and comparatives have been restated.

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance has been adopted. The Group has established an expected credit loss matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. AASB 9 did not have a significant impact on the Group's accounting policies.

'Interest revenue' is no longer included in the 'Revenue' note and is now shown separately on the face of the statement of profit or loss and other comprehensive income, resulting in a reclassification of \$2,000 for the year ended 31 December 2017.

The Group has applied the simplified approach to measuring expected credit losses, resulting in no substantial changes to impairment expense or additional allowance for expected credit losses on transition date.

### *Adoption of AASB 15 'Revenue from Contracts with Customers'*

The Group has adopted AASB 15 from 1 January 2018, using the retrospective method of adoption, resulting in the restatement of comparatives.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

As a result of the change in accounting policy of AASB 15, the comparative statement of financial position has been restated to reclassify \$201,000 from trade and other payables to contract liabilities.

### *Finalisation of AASB 3 'Business Combinations' accounting*

Comparative balances for intangibles and deferred tax liabilities have been restated under AASB 3 in relation to revisions made to accounting of the business combinations which occurred on 27 December 2017. These revisions are now final. In the statement of financial position below, the 'Reported' column has been adjusted for the finalisation of business combination accounting as the changes do not need to be separately disclosed in the 'Adjustment' column as per the provisions under AASB 3.

**Note 1. Adoption of new standards and restatement of comparatives (continued)**

*Other expenses comparative*

As the Group has completed a full year of trading, other expenses of \$32,000 have been reclassified to administrative expenses to align with current year disclosure.

The summary of the impact on the statement of profit or loss and other comprehensive income and statement of financial position of the above, excluding business combination accounting, is as follows:

*Statement of profit or loss and other comprehensive income*

<b>Extract</b>	<b>Period from 4 Sep 2017 to 31 Dec 2017 \$'000 Reported</b>	<b>\$'000 Adjustment</b>	<b>Period from 4 Sep 2017 to 31 Dec 2017 \$'000 Restated</b>
<b>Revenue</b>	2	(2)	-
Interest revenue calculated using the effective interest method	-	2	2
<b>Expenses</b>			
Administrative expenses	(266)	(32)	(298)
Other expenses	(32)	32	-
<b>Loss before income tax benefit</b>	(2,733)	-	(2,733)
Income tax benefit	22	-	22
<b>Loss after income tax (expense)/benefit for the year attributable to the owners of Elixinol Global Limited</b>	(2,711)	-	(2,711)
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive loss for the year attributable to the owners of Elixinol Global Limited</b>	(2,711)	-	(2,711)
	<b>Cents Reported</b>	<b>Cents Adjustment</b>	<b>Cents Restated</b>
Basic loss per share	(62.16)	-	(62.16)
Diluted loss per share	(62.16)	-	(62.16)

*Statement of financial position at the beginning of the earliest comparative period*

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period. However, as the Company was incorporated on 4 September 2017 there were no adjustments made as at 4 September 2017.

## Note 1. Adoption of new standards and restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

Extract	31 Dec 2017 \$'000 Reported	\$'000 Adjustment	31 Dec 2017 \$'000 Restated
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	1,259	(201)	1,058
Contract liabilities	-	201	201
Total current liabilities	<u>2,457</u>	<u>-</u>	<u>2,457</u>
<b>Total liabilities</b>	<u>5,997</u>	<u>-</u>	<u>5,997</u>
<b>Net assets</b>	<u>99,089</u>	<u>-</u>	<u>99,089</u>

## Note 2. Operating segments

### Identification of reportable operating segments

The Group is organised into three operating segments: Australia, North America and Rest of the World. There is one single business segment, being the sale of nutraceutical and related hemp products. 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 CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). 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.

### Types of products and services

The principal products and services of each of these operating segments are as follows:

Australia	This includes the results from the trading operations of Hemp Foods Australia Pty Ltd ('Hemp Foods Australia') and Nunyara Pty Ltd ('Nunyara'). This relates to the sale of hemp-based products in the case of Hemp Foods Australia and the application for licences in respect of the importation and cultivation of medicinal cannabis in Australia in the case of Nunyara.
North America	This includes the trading results of Elixinol LLC ('Elixinol') in the US through the manufacture and distribution of hemp-derived Cannabidiol ('CBD') products.
Rest of the World	This includes the results from trading operations of Elixinol ('Elixinol Netherlands') and Elixinol Co. Ltd ('Elixinol Japan') through the manufacture and distribution of hemp-derived CBD products as well as the sale of hemp-based products.

### Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

### Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

### Major customers

During the year ended 31 December 2018, 33% of sales were derived from three major customers (2017: no sales were derived from major customers).

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

*Operating segment information*

	Australia \$'000	North America \$'000	Rest of the World \$'000	Unallocated \$'000	Total \$'000
<b>Year to 31 Dec 2018</b>					
<b>Revenue</b>					
Sales to external customers	4,677	32,400	54	-	37,131
<b>Total revenue</b>	<u>4,677</u>	<u>32,400</u>	<u>54</u>	<u>-</u>	<u>37,131</u>
<b>EBITDA</b>					
Depreciation and amortisation	(1,518)	4,494	(304)	(2,786)	(114)
Interest revenue					441
<b>Loss before income tax expense</b>					<u>(497)</u>
Income tax expense					(363)
<b>Loss after income tax expense</b>					<u>(860)</u>
<b>Assets</b>					
Segment assets	19,118	85,577	3,665	40,165	148,525
<b>Total assets</b>					<u>148,525</u>
<b>Liabilities</b>					
Segment liabilities	1,301	8,757	395	230	10,683
<b>Total liabilities</b>					<u>10,683</u>
<b>Period from 4 Sep 2017 to 31 Dec 2017 (Restated)</b>					
<b>EBITDA</b>					
Depreciation and amortisation	(18)	(17)	-	(2,683)	(2,718)
Interest revenue					2
<b>Loss before income tax benefit</b>					<u>(2,733)</u>
Income tax benefit					22
<b>Loss after income tax benefit</b>					<u>(2,711)</u>
<b>Assets</b>					
Segment assets	18,229	69,862	-	16,995	105,086
<b>Total assets</b>					<u>105,086</u>
<i>Total assets includes:</i>					
Acquisition of non-current assets	-	-	-	9	9
<b>Liabilities</b>					
Segment liabilities	1,034	4,701	-	262	5,997
<b>Total liabilities</b>					<u>5,997</u>

## Note 2. Operating segments (continued)

### Geographical information

	Sales to external customers		Geographical non-current assets	
	Year to 31 Dec 2018 \$'000	Period from 4 Sep 2017 to 31 Dec 2017 \$'000	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Australia	4,677	-	14,604	22,249
North America	32,400	-	70,851	59,423
Rest of the World	54	-	-	-
	<u>37,131</u>	<u>-</u>	<u>85,455</u>	<u>81,672</u>

As Elixinol Global Limited was incorporated on 4 September 2017, there is no sales to external customers comparative to disclose for the period to 31 December 2017.

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

	Year to 31 Dec 2018 \$'000	Period from 4 Sep 2017 to 31 Dec 2017 \$'000
Sale of goods	<u>37,131</u>	<u>-</u>

### Disaggregation of revenue

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

Year to 31 Dec 2018	Direct to consumer \$'000	Wholesale \$'000	Bulk \$'000	Private label \$'000	Total \$'000
<i>Geographical regions</i>					
Australia	291	3,195	1,191	-	4,677
North America	7,140	4,710	8,162	12,388	32,400
Rest of the World	-	54	-	-	54
	<u>7,431</u>	<u>7,959</u>	<u>9,353</u>	<u>12,388</u>	<u>37,131</u>

### Timing of revenue recognition

Goods transferred at a point in time	<u>7,431</u>	<u>7,959</u>	<u>9,353</u>	<u>12,388</u>	<u>37,131</u>
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As Elixinol Global Limited was incorporated on 4 September 2017, there is no sales to external customers or disaggregation of revenue comparatives to disclose.

#### Note 4. Non-current assets - investments accounted for using the equity method

	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Investment in associate - Elixinol Co. Ltd	2,650	-
Investment in joint venture - Northern Colorado High Plains Producers	1,874	-
	<u>4,524</u>	<u>-</u>

On 24 April 2018, the Group subsidiary, Elixinol LLC, established a joint venture with Kersey Ag Company LLC to cultivate high-CBD premium organic hemp. The new joint venture is called the Northern Colorado High Plains Producers ('NCHPP') and endeavours to provide a reliable supply of raw material for the Group's products and will support the Group's plans for sales and revenue growth.

On 2 November 2018, the Group made a further investment in Elixinol Co. Ltd increasing its share to 50.5% from 10% at the start of the year. This investment, in which the Group has significant influence, has been accounted for as an associate due to the Group holding only two of the five board seats of Elixinol Co. Ltd and therefore does not have the power to directly affect the returns and activities of Elixinol Co. Ltd. Following a 12 month transitional period the composition of the Elixinol Co. Ltd's Board will be reviewed.

#### Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates of the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2018 %	31 Dec 2017 %
Elixinol Co. Ltd*	Japan	50.50%	10.00%
H&W Holdings LLC** (fully impaired)	United States of America	19.88%	18.50%
Hemp Foods Japan***	Japan	50.50%	25.00%

\* Holding through EXL International Holdings LLC

\*\* Holding through Elixinol LLC

\*\*\* Holding through Elixinol Co. Ltd

#### Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2018 %	31 Dec 2017 %
Northern Colorado High Plains Producers	United States of America	50.00%	-

#### Note 5. Equity - issued capital

	31 Dec 2018 Shares	31 Dec 2017 Shares	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Ordinary shares - fully paid	<u>124,550,162</u>	<u>102,928,540</u>	<u>139,612</u>	<u>101,800</u>

## Note 5. Equity - issued capital (continued)

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Issue of shares on incorporation	4 September 2017	1	\$1.00	-
Issue of shares on Initial Public Offer	27 December 2017	20,000,000	\$1.00	20,000
Issue of shares on acquisition of Elixinol LLC	27 December 2017	64,681,750	\$1.00	64,682
Issue of shares on acquisition of Elixinol Pty Ltd	27 December 2017	5,294,863	\$1.00	5,295
Issue of shares on acquisition of Hemp Foods Australia Pty Ltd	27 December 2017	12,416,926	\$1.00	12,417
Issue of bonus shares	27 December 2017	535,000	\$1.00	535
Share issue transaction costs		-	\$0.00	(1,129)
Balance	31 December 2017	102,928,540		101,800
Issue of shares	4 October 2018	21,621,622	\$1.85	40,000
Share issue transaction costs		-	\$0.00	(2,188)
Balance	31 December 2018	<u>124,550,162</u>		<u>139,612</u>

## Note 6. Earnings per share

	Year to 31 Dec 2018 \$'000	Period from 4 Sep 2017 to 31 Dec 2017 \$'000
Loss after income tax attributable to the owners of Elixinol Global Limited	(860)	(2,711)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	113,330,294	4,361,380
Weighted average number of ordinary shares used in calculating diluted earnings per share	113,330,294	4,361,380
	Cents	Cents
Basic loss per share	(0.76)	(62.16)
Diluted loss per share	(0.76)	(62.16)

The outstanding performance rights held by directors and employees have not been included to calculate diluted earnings per share as their inclusion would be anti-dilutive.

## Note 7. Events after the reporting period

Nunyara has purchased a parcel of land in the Northern Rivers District of New South Wales on 7 February 2019 for the sum of \$2,585,000. The land has been acquired for the purpose of building a cultivation and manufacturing facility subject to receiving the relevant manufacturing licence from the Office of Drug Control, and the necessary development approvals from local council. Although neither of these approvals have been obtained at the date of this report, the Group's Board determined that it was commercially prudent to progress with the purchase of this unique parcel of land. Having access to the unique parcel of land enables the Company to proceed with preparations for the construction of the facility, thereby reducing further delays in getting the build underway.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.