



ASX Announcement 12 May 2020

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

DESPATCH OF RETAIL ENTILEMENT OFFER BOOKLET

Elixinol Global Limited (**Elixinol Global** or the **Company**) (**ASX:EXL; OTC:ELLXF**) will today despatch the attached offer booklet (**Retail Entitlement Offer Booklet**) and personalised Entitlement and Acceptance Forms to Elixinol Global shareholders (**Eligible Retail Shareholders**) eligible to participate in the retail component of its accelerated non-renounceable pro rata entitlement offer (**Retail Entitlement Offer**), details of which were announced to ASX on Tuesday, 5 May 2020.

Eligible Retail Shareholders can access the Retail Entitlement Offer Booklet and apply online at www.exloffer.com.au.

If you have any questions in relation to the Retail Entitlement Offer, please contact the Elixinol Retail Entitlement Offer Information Line on 1300 070 709 (inside Australia) or +61 3 9415 4318 (outside Australia) at any time between 8.30am to 5.30pm (AEST) Monday to Friday.

This document was authorised to be given to the ASX by the Board of the Company.

For more information please contact:

Ron Dufficy
Chief Financial Officer
ron.dufficy@elixinolglobal.com



About Elixinol Global

Elixinol Global Limited (ASX:EXL; OTC:ELLXF) is a global leader in the hemp derived CBD industry, innovating, manufacturing and selling hemp derived CBD products. The Company's simplified business model is focusing on:

- In the Americas, innovating, manufacturing and selling high quality Elixinol branded hemp derived CBD products based in Colorado, USA
- In Europe & UK, educating and selling high quality Elixinol branded and co-branded hemp derived CBD products based in Amsterdam, The Netherlands
- In Australia, providing stronger unified planning and support across the group to enable the various regional offices to focus on operational strategy and execution through its Global Executive Office based in Sydney, Australia
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares offered and sold under the Entitlement Offer may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which the Company has no obligation to do) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. Each person that reviews the information contained in this Presentation that is in the United States will be deemed to represent (a) that it is either (1) a "qualified institutional buyer" within the meaning of Rule 144A of the U.S. Securities Act or (2) a dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k) of the U.S. Securities Act) for which it has, and is exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S, in reliance on Regulation S, and (b) and agree that it will not forward or deliver this Presentation, electronically or otherwise, to any other person.



Retail Entitlement Offer Booklet

Elixinol Global Limited

ACN 621 479 794

**Details of a 1 for 2.51 accelerated
non-renounceable pro-rata entitlement
offer of Elixinol Global Limited
ordinary shares (“New Shares”) at
an offer price of \$0.20 per New Share**

**Retail Entitlement Offer closes at 5.00pm (AEST) on
Thursday, 21 May 2020**

NOT FOR RELEASE TO U.S. WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

This Retail Entitlement Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read carefully and in their entirety. This Retail Entitlement Offer Booklet is not a prospectus under the Corporations Act 2001 (*Cth*) (**Corporations Act**) and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). Please call your stockbroker, solicitor, accountant or other professional adviser if you would like advice in relation to your participation in the Retail Entitlement Offer. Please call the Elixinol Shareholder Information Line on 1300 070 709 (inside Australia) or +61 3 9415 4318 (outside Australia) if you have any other questions.

Is this booklet relevant to you?

This Retail Entitlement Offer Booklet is relevant to you if you are an Eligible Retail Shareholder.

In this Retail Entitlement Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” or “your Retail Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on Thursday, 7 May 2020;
- have a registered address on the Elixinol share register in Australia or New Zealand as at 7.00pm (AEST) on the Record Date;
- are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Elixinol ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Refer to Section 6.1 (Important Information) for further details.

Important Notices

This Retail Entitlement Offer Booklet has been issued by Elixinol Global Limited ACN 621 479 794 (**Elixinol**).

This Retail Entitlement Offer Booklet (other than the Announcements) is dated Tuesday, 12 May 2020. Defined terms used in these important notices have the meaning given in this Retail Entitlement Offer Booklet.

This Retail Entitlement Offer Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC. The Retail Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Retail Entitlement Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision. The information in this Retail Entitlement Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Entitlement Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. Eligible Retail Shareholders should conduct their own independent review, investigations and analysis of Elixinol, the New Shares and Additional New Shares (if applicable) and obtain any professional advice they may require to evaluate the merits and risks of an investment in Elixinol before making any investment decision.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares (or Additional New Shares) through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Entitlement Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Entitlement Offer Booklet.

No overseas offering

This Retail Entitlement Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Entitlement Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States, and the New Shares (or Additional New Shares, as the case may be) may not be offered or sold, directly or indirectly, to persons in the United States. Refer to the “United States disclaimer” below for further information.

This Retail Entitlement Offer Booklet is not to be distributed in, and no offer of New Shares or Additional New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares or Additional New Shares, or otherwise permit the public offering of the New Shares or Additional New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Entitlement Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Retail Entitlement Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares or Additional New Shares is subject to all requisite authorities and clearances being obtained for Elixinol to lawfully receive your Application Monies.

New Zealand

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of New Shares is non-renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

None of the information in this Retail Entitlement Offer Booklet or the Entitlement and Acceptance Form that will accompany this Retail Entitlement Offer Booklet when it is despatched to Eligible Retail Shareholders (as set out in the Key dates section) constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. None of the Retail Entitlement Offer Booklet (or any part of it), the accompanying Chairman's Letter, ASX announcements or the Entitlement and Acceptance Form when that is to be made available, may be distributed or released, directly or indirectly, in the United States.

The Entitlements, the New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by, and the New Shares and Additional New Shares may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction in the United States. The New Shares and Additional New Shares in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares or Additional New Shares. Section 5 of this Retail Entitlement Offer Booklet provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders that are Australian residents holding New Shares or Additional New Shares on capital account. The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Elixinol recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

Elixinol collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Elixinol.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Elixinol (directly or through the Share Registry). Elixinol collects, holds and will use that information to assess your Application. Elixinol collects your personal information to process and administer your shareholding in Elixinol and to provide related services to you. Elixinol may disclose your personal information for purposes related to your shareholding in Elixinol, including to the Share Registry, Elixinol's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Elixinol holds about you. To make a request for access to your personal information held by (or on behalf of) Elixinol, please contact Elixinol through the Share Registry.

Future performance and forward looking statements

This Retail Entitlement Offer Booklet contains certain "forward looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

This Retail Entitlement Offer Booklet includes statements regarding certain plans, strategies and objectives of management and expected financial performance, effects of the Retail Entitlement Offer and use of proceeds. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables and changes in underlying assumptions which could cause actual results or trends to differ materially. Refer to the "Key Risks" of the Investor Presentation included in Section 4 of this Retail Entitlement Offer Booklet for a summary of certain risk factors that may affect Elixinol. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Elixinol). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Retail Entitlement Offer Booklet will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

The forward-looking statements in this Retail Entitlement Offer Booklet speak only as of the date of this Retail Entitlement Offer Booklet. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, Elixinol disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this Retail Entitlement Offer Booklet to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this Retail Entitlement Offer Booklet will under any circumstances create an implication that there has been no change in the affairs of Elixinol since the date of this Retail Entitlement Offer Booklet.

Financial information

All financial information in this Retail Entitlement Offer Booklet is in Australian Dollars (\$) or AUD) unless otherwise stated.

Investors should note that this Retail Entitlement Offer Booklet contains certain unaudited historical financial information extracted from Elixinol's Appendix 4C for the quarter ended 31 March 2020 (**Historical Financial Information**). Investors should also note that this Retail Entitlement Offer Booklet does not include financial statements of Elixinol. For further information on the financial information for Elixinol provided in this Retail Entitlement Offer Booklet, Investors should refer to the "Important notice and disclaimer" section in the Investor Presentation released to the ASX on Tuesday, 5 May 2020, a copy of which is included in Section 4 of this Retail Entitlement Offer Booklet.

The Historical Financial Information provided in this Retail Entitlement Offer Booklet is for illustrative purposes only and is not represented as being indicative of Elixinol's views on its future financial condition and/or performance. Accordingly, investors should treat this information with appropriate caution.

Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Elixinol performance including future share price performance.

Risks

Refer to the "Key Risks" section of the Investor Presentation included in Section 4 of this Retail Entitlement Offer Booklet for a summary of the general and specific risk factors that may affect Elixinol. Investors should consider these risks carefully in light of their personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Entitlement Offer.

Definitions, times and dates

Defined terms used in this Retail Entitlement Offer Booklet are contained in Section 7 of this Retail Entitlement Offer Booklet. Times and dates in this Retail Entitlement Offer Booklet are indicative only and subject to change. All times and dates refer to AEST. Refer to the "Key dates" section of this Retail Entitlement Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Retail Entitlement Offer Booklet are in Australian dollars (\$) or AUD).

Trading New Shares or Additional New Shares

To the maximum extent permitted by law, Elixinol will have no responsibility and disclaims all liability (including without limitation liability for negligence) to persons who trade New Shares or Additional New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Elixinol or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares or Additional New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Refer to Section 6 (Important Information) for details.

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Chairman's Letter

Dear Shareholder,

On behalf of the Directors of Elixinol Global Limited (**Elixinol** or the **Company**), I am pleased to invite you to participate in a 1 for 2.51 pro rata non-renounceable entitlement offer of new fully paid ordinary shares in Elixinol (**New Shares**) at an offer price of \$0.20 (**Offer Price**) per New Share (**Entitlement Offer**). The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) closed on Tuesday, 5 May 2020 and raised approximately \$5.3 million. The retail component of the Entitlement Offer (**Retail Entitlement Offer**) is expected to raise up to approximately \$5.6 million. Proceeds received from the Entitlement Offer will support operating cash flow, consumer brand building and distribution build.

Entitlement Offer

This Retail Offer Booklet relates to the Retail Entitlement Offer.

Under the Retail Entitlement Offer, Eligible Retail Shareholders with a registered address in Australia or New Zealand are entitled to subscribe for 1 New Share for every 2.51 existing fully paid ordinary shares in Elixinol (**Shares**) held at 7.00pm (AEST) on Thursday, 7 May 2020 (**Record Date**), at the Offer Price of \$0.20 per New Share. This is the same price which was offered to institutional investors who participated in the Institutional Entitlement Offer (and as set out in the Entitlement and Acceptance Form that is enclosed with this Retail Offer Booklet).

The Offer Price represents a discount of:

- 39.8% to the theoretical ex-rights price (**TERP**) of \$0.332¹;
- 48.1% to the closing price of \$0.385 on 29 April 2020.

New Shares and Additional New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue. Eligible Shareholders who take up their Entitlements in full may also apply for Additional New Shares in excess of their Entitlements at the Offer Price.

The Retail Entitlement Offer is being partially underwritten by Bell Potter Securities Limited (**Underwriter**). Further details of this partial underwriting are contained in the Company's ASX announcement dated 6 May 2020, a copy of which is included in this Retail Offer Booklet.

The results of the Institutional Entitlement Offer were announced on Wednesday, 6 May 2020 and the Institutional Entitlement Offer will complete on Wednesday, 12 May 2020.

Further Information and Application Instructions

The number of New Shares and Additional New Shares that you are entitled to subscribe for under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Retail Offer Booklet.

It is important that you determine whether to take up all or part of your Entitlement, take up all of your Entitlement and apply for Additional New Shares, or do nothing in respect of your Entitlement. The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold and is not otherwise transferable. This means that you will not receive any value for Entitlements you do not take up and your percentage shareholding in Elixinol will be reduced.

The Elixinol Board encourages you to read this Retail Offer Booklet carefully (in particular, the "Key Risks" section set out in the investor presentation, which contains a number of key risks associated with an investment in Elixinol). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

¹ TERP is a theoretical price at which Elixinol shares trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Elixinol shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Elixinol's closing price of \$0.385 on 29 April 2020.

The Retail Entitlement Offer closes at 5.00pm (AEST) on Thursday, 21 May 2020 (Closing Date).

On behalf of the Elixinol Board, I encourage you to consider this investment opportunity and thank you for your ongoing support of Elixinol.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Benhaim', with a stylized flourish at the end.

Paul Benhaim

Chairman, Elixinol Global Limited

Summary of the Entitlement Offer

Ratio	1 New Share for every 2.51 existing Shares in Elixinol
Offer Price	A\$0.20 per New Share
Size	Approximately 54.9 million New Shares
Gross proceeds	Approximately A\$11.0 million, comprising approximately A\$5.3 million under the Institutional Entitlement Offer and approximately A\$5.6 million under the Retail Entitlement Offer
Renounceable?	The Entitlement Offer is non-renounceable
Underwritten?	The Institutional Entitlement Offer is fully underwritten and the Retail Entitlement Offer is partially underwritten, in each case, on the terms and conditions of the Offer Management Agreement.

Key dates

EVENT¹	DATE
Announcement of the Entitlement Offer	Tuesday, 5 May 2020
Results of Institutional Entitlement Offer announced to ASX before commencement of trading resumes on an ex entitlement basis	Wednesday, 6 May 2020
Record date for the Retail Entitlement Offer (7.00pm AEST)	Thursday, 7 May 2020
Retail Entitlement Offer Booklet and personalised Entitlement and Acceptance Form dispatched to Eligible Retail Shareholders	Tuesday, 12 May 2020
Retail Entitlement Offer opens (9.00am AEST)	Tuesday, 12 May 2020
Settlement of Institutional Entitlement Offer	Wednesday, 13 May 2020
Issue and quotation of New Shares under the Institutional Entitlement Offer	Thursday, 14 May 2020
Retail Entitlement Offer closes (5.00pm AEST)	Thursday, 21 May 2020
Results of Retail Entitlement Offer announced	Tuesday, 26 May 2020
Settlement of Retail Entitlement Offer	Monday, 1 June 2020
Issue of New Shares and Additional New Shares under the Retail Entitlement Offer	Tuesday, 2 June 2020

New Shares and Additional New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis

Wednesday, 3 June 2020

Dispatch of holding statements for New Shares and Additional New Shares issued under the Retail Entitlement Offer

Wednesday, 3 June 2020

¹ This timetable is indicative only and may change. Elixinol reserves the right to amend any or all of these dates and times the timetable for the Entitlement Offer without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Elixinol reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX. All references to time are to AEST.

Elixinol also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicant (without any interest). Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

Enquiries

If you have any questions, please contact the Elixinol Shareholder Information Line on 1300 070 709 (inside Australia) or +61 3 9415 4318 (outside Australia) at any time between 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period, or if you require advice about your participation in the Entitlement Offer, consult your stockbroker, accountant or other independent professional adviser.

1. Summary of options available to you

If you are an Eligible Retail Shareholder (as defined in Section 6.1 (Important Information)) you may take one of the following actions:

- take up all or part of your Entitlement;
- take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement; or
- do nothing and let your Entitlements lapse.

If you are a retail shareholder that is not an Eligible Retail Shareholder you are an **Ineligible Retail Shareholder**. Ineligible Retail Shareholders are not entitled to participate in the Offer.

Options available to you	Key considerations
Option 1: Take up all or part of your Entitlement	<ul style="list-style-type: none">• You may elect to purchase New Shares at the Offer Price (see Section 3 (How to Apply) for instructions on how to take up your Entitlement).• The New Shares will rank equally in all respects with existing Shares (including rights to dividends and distributions).• The Retail Entitlement Offer closes at 5.00pm (AEST) on Thursday, 21 May 2020.• Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible Retail Shareholders who do not take up their rights in full will not receive any value in respect of those rights they do not take up.• If you do not take up your Entitlement in full, you will have your percentage holding in Elixinol reduced as a result of dilution by the New Shares issued under the Entitlement Offer.
Option 2: Take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement	<ul style="list-style-type: none">• If you take up all of your Entitlement you may elect to apply for Additional New Shares in excess of your Entitlement, as set out in your personalised Entitlement and Acceptance Form.• Elixinol will treat you as applying for as many New Shares as your Application Monies will pay for in full up to your full Entitlement (at the Offer Price) and, in respect of any Excess Amounts received by the Company, will treat your application as applying for as many Additional New Shares as your Excess Amount will pay for in full, subject to any scale-back Elixinol may determine in consultation with the Underwriter to implement in respect of Additional New Shares. Allocations of Additional New Shares are at the discretion of Elixinol following consultation with the Underwriter.
Option 3: Do nothing and let your Entitlements lapse	<ul style="list-style-type: none">• To the extent you do not take up all of your Entitlements, your Entitlements lapse.• The New Shares not subscribed for will form part of the Shortfall.

Options available to you**Key considerations**

- Your Entitlement is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.
 - If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement.
 - If you do not take up your Entitlement, you will have your percentage holding in the Company reduced as a result of the Entitlement Offer.
-

If you have any doubt about how you should deal with your Entitlements, you should seek professional advice from an adviser who is licensed by ASIC to give that advice before making any investment decision.

You should carefully read:

- The “Key Risks” section of the Investor Presentation included in Section 4 of this Retail Entitlement Offer Booklet; and
- Section 5 of this Retail Entitlement Offer Booklet for information on the Australian taxation implications of each option.

2. Details of the Entitlement Offer

Elixinol is conducting a 1 for 2.51 pro-rata accelerated non-renounceable entitlement offer to Shareholders as at the Record Date at the Offer Price of A\$0.20.

The Entitlement Offer is partially underwritten by the Underwriter, on the terms of an Offer Management Agreement with the Underwriter which sets out their rights (including rights of termination) and obligations with respect to the Entitlement Offer (**Offer Management Agreement**) and will raise up to approximately A\$11.0 million (before the deduction of related expenses) and result in the issue of up to approximately 54.9 million New Shares. See section 6.16 for further details about the underwriting arrangements.

2.1 Institutional Entitlement Offer

On Wednesday, 6 May 2020, Elixinol announced that it had successfully completed the Institutional Entitlement Offer, raising approximately A\$5.3 million. Settlement of the Institutional Entitlement Offer is expected to occur on Wednesday, 13 May 2020. The 26.7 million New Shares to be issued under the Institutional Entitlement Offer are expected to be allotted and commence trading on Thursday, 14 May 2020.

2.2 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders (as defined in Section 6.1 (Important Information)), who are being invited to subscribe for 1 New Share for every 2.51 existing Shares held as at the Record Date at 7.00pm (AEST) on Thursday, 7 May 2020, at the Offer Price of \$0.20 per New Share. The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

You should note that not all Elixinol shareholders will be eligible to participate in the offer of New Shares. Please read Section 6.1 (Important Information) for more information.

The Retail Entitlement Offer opens on Tuesday, 12 May 2020. The Retail Entitlement Offer Booklet will be dispatched on Tuesday, 12 May 2020, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. The Retail Entitlement Offer is expected to close at 5.00pm (AEST) on Thursday, 21 May 2020.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

As a result, this Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on Elixinol and the Retail Entitlement Offer made publicly available by Elixinol, prior to taking up all or part of their Entitlement or taking up all of their Entitlement and applying for Additional New Shares. In particular, please refer to the Offer materials enclosed in Section 4 of this Retail Entitlement Offer Booklet, Elixinol's latest interim and annual report, other announcements made available at www.asx.com.au and all other parts of this Retail Entitlement Offer Booklet carefully before making any decisions in relation to your Entitlement.

Please consult with your stockbroker, solicitor, accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the "Key Risks" section in the Investor Presentation released to ASX on Tuesday, 5 May 2020, a copy of which is included in Section 4 of this Retail Entitlement Offer Booklet.

3. How to Apply

3.1 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 2.51 Shares you held as at the Record Date of 7.00pm (AEST) on Thursday, 7 May 2020. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares and Additional New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Elixinol Shares on issue.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see definition of Eligible Retail Shareholder in Section 6.1 (Important Information)).

Nominees

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders (as defined in Section 6.1 (Important Information)) on the register of Elixinol at 7.00pm (AEST) on the Record Date. Elixinol does not undertake to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Any person (such as a nominee or custodian) that is or is acting for the account or benefit of a person in the United States may not participate in the Retail Entitlement Offer on behalf of such persons in the United States, and may not send this Retail Entitlement Offer Booklet or any other materials into the United States.

Elixinol does not undertake to advise you on any foreign laws or of how the restrictions apply to you.

3.2 Options available to you

If you are an Eligible Retail Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (refer to Section 3.3);
- take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement (refer to Section 3.4); or
- do nothing and let your Entitlements lapse (refer to Section 3.5).

Ineligible Retail Shareholders do not have any entitlement to participate in the Entitlement Offer. Eligible Retail Shareholders who do not participate in the Retail Entitlement Offer will have their percentage holding in Elixinol reduced. Eligible Retail Shareholders who participate in the Retail Entitlement Offer will see their percentage holding in Elixinol stay the same (if they take up all of their Entitlement) or reduce (if they take up only part of their Entitlement).

The Closing Date for the acceptance of the Retail Entitlement Offer is **5.00pm (AEST) on Thursday, 21 May 2020** (however, that date may be varied by Elixinol, in accordance with the ASX Listing Rules and the Offer Management Agreement).

3.3 Take up all or part of your Entitlement

If you decide to take up all or part of your Entitlement, please pay your Application Monies in Australian dollars via BPAY[®] by following the instructions set out on the personalised Entitlement and Acceptance Form, so that they are received by the Share Registry by no later than 5.00pm (AEST) on Thursday, 21 May 2020.

When paying by BPAY[®], please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that Entitlement and Acceptance Form. Eligible Retail Shareholders based in New Zealand should visit the offer website (www.exloffers.com.au) for instructions on how to pay via BPAY[®] or Electronic Funds Transfer (EFT).

If you take up all or part of your Entitlement you will be issued your New Shares on or about Tuesday, 2 June 2020. Elixinol's decision on the number of New Shares to be issued to you will be final. If Elixinol receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment will be treated as an Application for as many New Shares as your payment will pay for in full.

Elixinol also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if Elixinol believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Elixinol's satisfaction.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). If you will to advise or change your banking instructions with the Share Registry you may do so by going to www.investorcentre.com and logging into the Investor Centre. No interest will be paid on refunded amounts.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in Elixinol reduced.

3.4 Take up all of your Entitlement and apply for Additional New Shares

If you wish to take up all of your Entitlement and apply for Additional New Shares, please pay your Application Monies, being the payment amount required to pay for your Entitlement plus the dollar value of any Additional New Shares you wish to acquire, via BPAY[®] by following the instructions set out on your personalised Entitlement and Acceptance Form, so that they are received by the Share Registry by no later than 5.00pm (AEST) on Thursday, 21 May 2020.

When paying by BPAY[®], please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that Entitlement and Acceptance Form. Eligible Retail Shareholders based in New Zealand should visit the offer website (www.exloffer.com.au) for instructions on how to pay via BPAY[®] or Electronic Funds Transfer (EFT).

Elixinol will treat you as applying for as many New Shares as your Application Monies will pay for in full up to your full Entitlement (at the Offer Price) and, in respect of any Excess Amounts received by the Company, will treat your application as applying for as many Additional New Shares as your Excess Amount will pay for in full at the Offer Price, subject to any scale-back Elixinol may determine in consultation with the Underwriter to implement in respect of Additional New Shares. Allocations of Additional New Shares are at the discretion of Elixinol following consultation with the Underwriter.

Elixinol also reserves the right (in its absolute discretion) to reduce the number of New Shares and any Additional New Shares issued to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if Elixinol believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Elixinol's satisfaction.

Other than to the extent that Additional New Shares are allocated to you, any Excess Amount will be refunded after the close of the Retail Entitlement Offer. No interest will be paid to Eligible Shareholders on any Application Monies received or returned (wholly or partially).

3.5 Take no action and let your Entitlements lapse

If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can the Entitlement be privately transferred.

3.6 Consequences of not accepting all or part of your Entitlement

By allowing part or all of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement in full and you will not receive any value for any part of your Entitlement which lapses. Your interest in Elixinol will also be diluted.

3.7 Payment

Electronic payment, via BPAY[®], is the preferred method of payment given recent postal delays. All payments are to be made in Australian dollars. Eligible Retail Shareholders based in New Zealand should visit the offer website (www.exloffers.com.au) for instructions on how to pay via BPAY[®] or Electronic Funds Transfer (EFT).

Cash payments will not be accepted. Receipts for payment will not be issued.

Elixinol will treat you as applying for as many New Shares as your Application Monies will pay for in full up to your full Entitlement (at the Offer Price) and, in respect of any Excess Amounts received by the Company, will treat your application as applying for as many Additional New Shares as your Excess Amount will pay for in full (at the Offer Price), subject to any scale-back Elixinol may determine in consultation with the Underwriter to implement in respect of Additional New Shares. Allocations of Additional New Shares are at the discretion of Elixinol following consultation with the Underwriter.

Any Application Monies received for more than your final allocation of New Shares or Additional New Shares (as the case may be) will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

3.8 Payment by BPAY[®]

For payment by BPAY[®], please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). You can only make a payment via BPAY[®] if you are the holder of an account with an Australian financial institution that supports BPAY[®] transactions.

Please note that when paying via BPAY[®]:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and in the Important Information Section of this Retail Entitlement Offer Booklet; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY[®] payment is received by the Share Registry by no later than 5.00pm (AEST) on Thursday, 21 May 2020 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

Please make sure you use the specific Biller Code and your unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Entitlement and Acceptance Form.

Any Application Monies received for more than your final allocation of New Shares or Additional New Shares will be refunded (only where the amount is A\$1.00 or greater) as soon as practicable. No interest will be paid on any Application Monies received or refunded.

3.9 Entitlement and Acceptance Form is binding

A payment made through BPAY[®] or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding acceptance to acquire New Shares or Additional New Shares on the terms and conditions set out in this Retail Entitlement Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares or Additional New Shares as the case may be. Elixinol's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY[®], you will be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- you have read and understand this Retail Entitlement Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;

- you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Entitlement Offer Booklet, and Elixinol's constitution;
- you authorise Elixinol to register you as the holder(s) of New Shares and any Additional New Shares allotted to you;
- you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- that once Elixinol receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- you agree to apply for and be issued up to the number of New Shares and Additional New Shares (as the case may be) specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, including, in each case, any Additional New Shares, at the Offer price;
- you authorise Elixinol, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares and any Additional New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- the information contained in this Retail Entitlement Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- this Retail Entitlement Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Elixinol and is given in the context of Elixinol's past and ongoing continuous disclosure announcements to ASX, which is publicly available at www.asx.com.au;
- you have read and understood the statement of key risks in the "Key Risks" section of the Investor Presentation included in Section 4 of this Retail Entitlement Offer Booklet, and understand and acknowledge that investments in Elixinol are subject to risk;
- none of Elixinol, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Elixinol, nor do they guarantee the repayment of capital;
- you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- you authorise Elixinol to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- you represent and warrant (for the benefit of Elixinol, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- you represent and warrant that the law of any place does not prohibit you from being given this Retail Entitlement Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares or Additional New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- you represent and warrant that you are Eligible Retail Shareholders and not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares or Additional New Shares under the Retail Entitlement Offer;

- you and each person on whose account you are acting understand and acknowledge that the New Shares or Additional New Shares have not been, or will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred in the United States. You further acknowledge that the New Shares may only be offered, sold or resold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act;
- you are subscribing for Entitlements and/or purchasing New Shares or Additional New Shares outside the United States (i.e. in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act);
- you have not and will not send this Retail Entitlement Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States, to any person acting for the account or benefit of a person in the United States, or to any person in any other country outside Australia and New Zealand;
- if in the future you decide to sell or otherwise transfer the New Shares and any Additional New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, including in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Entitlement Offer Booklet, the Entitlement and Acceptance Form or any information or materials relating to the Retail Entitlement Offer to any such person; and
- determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer, and in particular, the question as to whether an eligible shareholder is an Eligible Institutional Shareholder or an Eligible Retail Shareholder, is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Elixinol and/or the Underwriter. Elixinol and the Underwriter disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

3.10 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Elixinol Shareholder Information Line on 1300 070 709 (inside Australia) or +61 3 9415 4318 (outside Australia). The Elixinol Shareholder Information Line will be open from 8.30am to 5.30pm (AEST) Monday to Friday, during the Retail Entitlement Offer period. Alternatively, Eligible Retail Shareholders can access information about the Retail Entitlement Offer online at www.exloffer.com.au. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

4. ASX Offer Announcements



NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION OR RELEASE IN THE UNITED STATES

5 May 2020

Elixinol announces \$11.0 million capital raising

Highlights:

- Elixinol-branded CBD nutraceuticals consumer strategy becomes key revenue channel focus, with a more focused branded business model geared towards margin accretion
- Continuation of March brand relaunch driving distribution and consumer awareness
- Digitally led consumer communication centred on new e-commerce platform in the US and UK / Europe
- Europe expansion targeting biggest CBD markets Germany and UK
- Appointment of Oliver Horn (former CEO of Swisse Wellness ANZ & North America) as Group CEO, bringing substantial experience in building premium global consumer products
- Continued focus on reducing cash-burn and working capital initiatives
- Capital raising to support operating cash flow, consumer brand building and distribution build

Elixinol Global Limited (“**Elixinol**” or the “**Company**”) is undertaking an equity raising of up to \$11.0 million via a 1 for 2.51 accelerated pro-rata renounceable entitlement offer (“**Entitlement Offer**”). Proceeds received from the Entitlement Offer will support operating cash flow, consumer brand building and distribution build.

Further information in relation to the Entitlement Offer is set out in the Investor Presentation released by Elixinol to ASX today, 5 May 2020. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer. Further information regarding the financial performance of the Company for the quarter ending 31 March 2020 is set out in the Appendix 4C which was released by Elixinol to ASX on 30 April 2020.

Business and trading update

Elixinol’s core strategy remains unchanged, focusing on becoming a global leader in hemp-derived CBD nutraceuticals by building an Elixinol branded consumer goods businesses with a strong foothold in the Americas and Europe. To achieve its global distribution strategy, Elixinol is prioritising e-commerce and pharmacy channels to drive consumer education and sales.

Elixinol – Americas region

Elixinol’s Americas business continues to face structural challenges in the US, driven by slower than expected regulatory progress, leading to an under-regulated, oversupplied and highly competitive market. Additionally, Elixinol moved its e-commerce platform to Magento and faced transition-related disruptions impacting website traffic and search engine optimisation. All issues have since been resolved and the platform is now functioning as expected.

At the end of the March 2020, Elixinol commenced its brand re-launch with its benefit led product range via its e-commerce platform and pharmacies in the US. The Company’s focus continues to be on cost-out and efficiency initiatives, with investment in sales and marketing to drive brand recognition and conversion.

During Q1-FY2020, Elixinol made key hires to support its objectives, including CEO of the Americas, Tom Siciliano and VP Operations & Manufacturing Chad Wittman.

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Elixinol – Europe / UK

Elixinol is a leader in the UK and Europe, a significant growth market, where it has a strong position in hemp derived CBD nutraceutical products. With regulatory barriers to entry via Novel Foods authorisation and favourable market dynamics, Elixinol's expansion in Europe is targeting the biggest CBD markets, Germany and the UK, where it has cemented a foothold through large scale partnerships with one of the largest distributors in Europe, who supply pharmacies, doctors and health centres, and MedVec which has access to 22,000 pharmacies in Germany. Outside of the pharmacy channel, Elixinol is focussing on e-commerce and home TV shopping where it is experiencing good early sales momentum.

Trading update

Total revenue for Q1 FY2020 was \$3.3 million, a 25% decline on the prior sequential period, being Q4 FY2019. Contribution of total revenue from branded and co-branded products (e-commerce, retail, Europe & UK) increased over the same period, representing ~82%, an increase from ~77% in Q4 FY2019. Retail channel revenue also increased to \$1.3 million in Q1 FY2020, from \$0.8 million in Q4 FY2019. Additionally, as part of its cost-out program, headcount of full-time equivalents was reduced to 78 (as at 30 April 2020), from 119 as at 31 December 2019.

Further information regarding the financial performance of the Company for Q1 FY2020 is set out in the Appendix 4C released by Elixinol on 30 April 2020.

Sale of Nunyara property

As previously disclosed, the Company is in the process of selling Nunyara's assets. In relation to the Nunyara property, following a process of testing the market for the property and engaging with prospective buyers, the Company is in exclusive negotiations with a preferred buyer, having received an offer acceptable to the Board that is not subject to financing.

Board of Directors

Elixinol's Board of Directors currently comprises Paul Benhaim (Chairman and Non-Executive Director), Oliver Horn (Executive Director) and Helen Wiseman (Non-Executive Director). The Company is intending to appoint another Non-Executive Director with ASX leadership experience in the near future and is currently considering potential candidates.

Comment from Oliver Horn, Group CEO

"We are making great progress in evolving our business model towards a very focused consumer and product led nutraceuticals CBD business. Our brand is being relaunched across global markets supported by a new digital & e-commerce strategy under our 'Kind of Amazing' campaign. We've secured wide reaching distribution agreements due to our global reputation for high quality broad spectrum CBD products and 20 years of experience in the hemp industry. We are optimistic about our business outlook despite the current US CBD category and COVID-19 challenges. Our vision is to build the most innovative nutraceutical CBD brand in the world that does good for the planet and its people."

Comment from Paul Benhaim, Chairman

"This is an exciting time for Elixinol. As announced on 30 March 2020, Elixinol has undergone a global rebrand and product refresh of new innovative health and wellness products designed to build on its existing consumer trust and knowledge about hemp derived CBD. The company has in place a talented and experienced management team, headed by our new Group CEO, Oliver Horn. I have every confidence that this team has the capacity to take advantage of the many opportunities to grow Elixinol's business. Our company has gone through a significant period of change following the events of 2019. During this time the company, myself included, have given much consideration to how we can learn from the actions of the past, and we have strengthened the systems, protocols and personnel in place to ensure the company has and maintains a strong focus on both compliance and

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commercial opportunities. Both of these are personally very important to me, and to my fellow directors and members of senior management. As both the Chairman and a major shareholder of this company, I have full confidence in Oliver and the entire senior management team to run this company successfully with a strong commitment to and focus on a “best in class” compliance culture, and I look forward to supporting them as a non-executive director.”

Entitlement Offer

The Entitlement Offer will take the form of a pro-rata accelerated renounceable entitlement offer under which eligible shareholders will be entitled to acquire one new Elixinol share (“**New Share**”) for every 2.51 shares held at 7:00pm (AEST) on Thursday, 7 May 2020 (“**Record Date**”), at a price of \$0.20 per New Share (“**Offer Price**”). The Offer Price represents a 48.1% discount to last close of \$0.385 and a 39.8% discount to TERP of \$0.332¹. The Entitlement Offer is not underwritten.

The Entitlement Offer will raise up to \$11.0 million and comprise:

- an **Institutional Entitlement Offer**: Eligible Institutional Shareholders are invited to subscribe for 1 New Share for every 2.51 shares held at the Record Date. Eligible Institutional Shareholders can choose to take up all, part or none of their Entitlements. Entitlements cannot be traded on the ASX. Entitlements that Eligible Institutional Shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to Ineligible Institutional Shareholders, will be sold through an institutional shortfall bookbuild (“**Institutional Bookbuild**”) today, Tuesday, 5 May 2020; and
- a **Retail Entitlement Offer**: Eligible Retail Shareholders in Australia and New Zealand will be invited to purchase a pro-rata number of New Shares. Eligible Retail Shareholders who wish to apply to participate in the Retail Entitlement Offer must do so by 5.00pm (AEST) on Thursday, 21 May 2020. Entitlements cannot be traded on the ASX. Entitlements not taken up, along with entitlements of Ineligible Retail Shareholders, will be sold under a retail shortfall bookbuild (“**Retail Shortfall Bookbuild**”). Eligible Retail Shareholders who apply for their Entitlement in full will be entitled to apply for additional New Shares (“**Additional New Shares**”) under the Retail Shortfall Bookbuild, with such oversubscriptions to be satisfied out of shortfall shares.

New Shares and Additional New Shares issued under the Entitlement Offer will rank equally in all respects with existing Elixinol shares on issue as at the date of issue of the relevant New Shares.

A Retail Entitlement Offer Booklet containing information in respect of the Retail Entitlement Offer will be sent to Eligible Retail Shareholders in Australia and New Zealand by Tuesday, 12 May 2020 and will be made available on the Entitlement Offer website at www.exloffer.com.au. The contents of Elixinol’s website do not form part of the offer documents for the Entitlement Offer.

Eligible Retail Shareholders should read the Retail Entitlement Offer Booklet in full in deciding whether to subscribe for New Shares or Additional New Shares.

Any Eligible Retail Shareholder in Australia or New Zealand who wishes to acquire New Shares and Additional New Shares (if applicable) under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will accompany the Retail Entitlement Offer Booklet.

¹ TERP is a theoretical price at which Elixinol shares trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Elixinol shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Elixinol’s closing price of \$0.385 on 29 April 2020.



Elixinol expects to announce the outcome of the Institutional Entitlement Offer to the market prior to the commencement of trading on Wednesday, 6 May 2020 and will remain in trading halt until this time.

Lead Manager and Bookrunner to the Entitlement Offer is Bell Potter Securities Limited.

Indicative timetable

Event	Date (2020)
Announcement of Entitlement Offer (in trading halt)	Tuesday, 5 May
Institutional Entitlement Offer opens	Tuesday, 5 May
Institutional Entitlement Offer closes	Tuesday, 5 May
Institutional Entitlement Offer shortfall bookbuild	Tuesday, 5 May
Trading halt lifted and announcement of results of Institutional Entitlement Offer	Wednesday, 6 May
Record date for Retail Entitlement Offer (7:00pm AEST)	Thursday, 7 May
Retail Entitlement Offer opens (9:00am AEST)	Tuesday, 12 May
Retail Entitlement Offer Booklet and personalised Entitlement and Acceptance Form dispatched to Eligible Retail Shareholders	Tuesday, 12 May
Settlement of Institutional Entitlement Offer and Institutional Entitlement Offer shortfall	Wednesday, 13 May
Allotment date and normal trading of New Shares issued under the Institutional Entitlement Offer and Institutional Entitlement Offer shortfall	Thursday, 14 May
Retail Entitlement Offer closes (5:00pm AEST)	Thursday, 21 May
Announcement of results of the Retail Entitlement Offer	Tuesday, 26 May
Retail Entitlement Offer shortfall bookbuild	Wednesday, 27 May
Settlement of Retail Entitlement Offer and Retail Entitlement Offer shortfall	Monday, 1 June
Allotment of New Shares and Additional New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Tuesday, 2 June
New Shares and Additional New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall commence trading on ASX	Wednesday, 3 June
Dispatch of holding statements in respect of New Shares and Additional New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Wednesday, 3 June

Note: The above timetable is indicative and subject to variation. Elixinol and the Lead Manager reserve the right to withdraw or amend the Entitlement Offer at any time or alter the timetable at their absolute discretion and without notice, subject to ASX Listing Rules, the Corporations Act and other applicable law including extending the closing date of the Retail Entitlement Offer period or accepting late applications, either generally or in particular cases, without notice or altering the opening and closing times of the bookbuilds without notice. Any extension of the closing date will have a consequential effect on the issue date of the New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX. All dates and times refer to AEST.

Conference call

Elixinol Global Limited | ACN 621 479 794 | ASX: EXL OTCQX: ELLXF

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Investors are invited to join a conference call hosted by Oliver Horn, Group CEO, and Ron Dufficy, CFO, today, Tuesday, 5 May at 9:00am AEST.

To access the call please use the link below to register. Once registered, dial-in details will be provided.

Registration link: <https://s1.c-conf.com/diamondpass/10006515-invite.html>

This document was authorised to be given to the ASX by the Board of the Company.

About Elixinol

Elixinol Global Limited (**ASX:EXL; OTC:ELLXF**) is a global leader in the hemp derived CBD industry, innovating, manufacturing and selling hemp derived CBD products. The Company's simplified business model is focusing on:

- In the Americas, innovating, manufacturing and selling Elixinol branded hemp derived CBD products based in Colorado, USA
- In Europe & UK, educating and selling Elixinol branded and co-branded hemp derived CBD products based in Amsterdam, The Netherlands
- In Australia, providing stronger unified planning and support across the group to enable the various regional offices to focus on operational strategy and execution through its Global Executive Office based in Sydney, Australia
- Globally, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com.

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Determination of eligibility of investors for the purposes of the institutional and retail components of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Elixinol and the Lead Manager. Each of Elixinol and the Lead Manager disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by the law.

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Trading Update and Capital Raising

Elixinol Global Limited

May 2020

ASX: EXL, OTC: ELLXF
www.elixinolglobal.com

Not for release to US wire services or distribution in the United States



Disclaimer

This investor presentation (**Presentation**) has been prepared by Elixinol Global Limited (ACN 621 479 794) (**Elixinol** or **Company**) in relation to an accelerated non-renounceable entitlement offer under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (the **Offer**) of new fully paid ordinary shares in Elixinol (**New Shares**). The following disclaimer applies to this Presentation and you are therefore advised to read it carefully before reading or making any other use of this Presentation or any information contained herein. By accepting this Presentation, you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions and agree to be bound by the limitations contained within it.

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You are strongly advised to read all of this Presentation carefully.



EXL TRADING UPDATE AND CAPITAL RAISING

2





Disclaimer (cont'd)

Summary information

The information contained in this Presentation should not be considered to be comprehensive or to comprise all the information that a shareholder or potential investor in Elxinol may require in order to determine whether to deal in New Shares. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not take into account the financial situation, investment objectives, tax situation or particular needs of any person and nothing contained in the information in this Presentation constitutes investment, legal, tax or other advice nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Elxinol's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.exl.com.au.

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The Retail Entitlement Offer will be made on the basis of the information contained in the Retail Offer Booklet (the **Offer Booklet**) to be prepared for eligible investors in Australia and New Zealand and made available following its lodgment with ASX. Any eligible shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Offer Booklet before deciding whether to apply for New Shares under the Offer. Anyone who wishes to apply for New Shares under the Offer will need to apply in accordance with the instructions contained in the Offer Booklet.

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Investors acknowledge and agree that:

- Determination of eligibility of investors for the purposes of the institutional and retail components of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Elxinol and the Manager Group; and
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Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation you acknowledge and agree to the terms set out in this disclaimer.



Executive summary

Refined strategy

- Elixinol branded CBD nutraceuticals consumer strategy, becomes key revenue channel focus
- More focused branded business model geared towards margin accretion
- Continuation of brand relaunch in March 2020 driving distribution and consumer awareness
- Digitally led consumer communication centred on new e-commerce platform in the US and UK / Europe
- Europe expansion targeting largest CBD markets Germany and UK
- Appointment of Oliver Horn (former CEO of Swisse Wellness ANZ & North America) as Group CEO, bringing substantial experience in building premium global consumer products
- Continued cost control and capital management

Trading update⁽¹⁾

- Q1 FY2020 revenue of \$3.3 million
 - 25% decline on prior sequential period, being Q4 FY2019
 - Increased contribution of total revenue from e-commerce, retail, UK & Europe, representing ~82% for Q1 FY2020 (Q4 FY2019 ~77%)
 - Retail channel revenue increased to \$1.3 million in Q1 FY2020 (\$0.8 million in Q4 FY2019)
- e-commerce disruptions due to transition to Magento
 - e-commerce represented ~30% of total revenue in Q1 FY2020, down from ~45% in Q4 FY2019
- Global rebrand and product refresh launched end of Q1 FY2020
- Headcount FTE reduced to 78 as at 30 April 2020 from 119 as at 31 December 2019

Capital raising

- Undertaking a 1 for 2.51 pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of up to \$11.0 million, at an offer price of \$0.20 per share
- Funds to be used to support operating cash flow, consumer brand building and distribution build
- Elixinol to have pro forma cash of approximately \$21 million on completion of the capital raising⁽²⁾

Note: (1) Based on Q1 FY2020 unaudited accounts; (2) Cash and cash equivalents as per Q1 FY2020 Appendix 4C, plus the gross proceeds of the offer less offer related costs. The Offer is not underwritten and so this assumes that the Offer is taken up in full.

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Agenda

HIGHLIGHTS & BUSINESS UPDATE

1



 Calm Before, During & After the Storm. Kind of Amazing



HIGHLIGHTS & BUSINESS UPDATE

CAPITAL RAISING

KEY RISKS

INTERNATIONAL OFFER RESTRICTIONS

Business update and continued strategy implementation

- 1**

Building a global Elixinol branded CBD nutraceuticals business to enhance margins

 - Continued global Elixinol brand re-launch with benefit led product range
 - Pharmacy and e-commerce channels prioritised globally to drive consumer education
 - Cemented European foothold in strategic markets of Germany and UK through large scale partnerships
 - Elixinol is the first global nutraceutical full-spectrum CBD brand to be listed by one of the largest distributors in Europe
 - New consumer campaigns and media investments, including social media influencers and brand ambassadors
- 2**

Investment in operations, e-commerce and key people

 - Global investment in Magento based e-commerce platform and enhanced SEO capability
 - Implemented ERP system
 - New experienced senior hires, CEO – Americas, Tom Siciliano and VP Operations & Manufacturing, Chad Wittman
- 3**

Innovation and new product development focus

 - Increased focus on expanding Elixinol-branded range
 - Addition of chewable and skincare products in H2 FY2020
 - 2nd gen skincare products in early stages of development
- 4**

Appointment of Oliver Horn as Group CEO

 - Former CEO of Swisse Wellness ANZ and North America
 - Established track record in the nutraceuticals sector and premium global consumer brands
 - Commercial & Marketing Leadership experience across ANZ, Americas and Europe
- 5**

Cost control and compliance

 - Continued focus on reducing cash-burn and working capital initiatives
 - Reduction in headcount of FTE
 - Increased emphasis on compliance



EXL TRADING UPDATE AND CAPITAL RAISING

8



Elixinol – Americas region

Continued focus on selling hemp derived Elixinol branded CBD products

Cost base optimisation



- Focus on cost-out and efficiency initiatives to expand margins and reach break-even
 - Pathway towards positive cash flow and increased gross margins
- Continued investment in sales and marketing to drive brand recognition and conversion

Investment in operations, e-commerce and key people



- 12,000ft² facility now complete
- Changed e-commerce platform to Magento
 - Faced transition issues in Q1 FY2020 including lost search engine optimisation (SEO) and website traffic
 - Issues have been resolved, platform is functioning to expectations
- Key hires including CEO – Americas, Tom Siciliano and VP Operations & Manufacturing, Chad Wittman

Inventory turnover



- Focus on converting inventory into cash
 - AS\$25m of US inventory sufficient to fuel 18 months+ of revenue growth
 - US inventory has a 2 year shelf life

Business challenges



- Oversupplied, highly competitive market
- Slower than expected regulatory progress in the US leading to an under-regulated market
- COVID-19 bricks and mortar footfall restrictions have slowed rate of sale
 - Delays in securing new distribution points within Elixinol's bricks and mortar sales channel

Outlook



- Post-COVID-19, increased in-store sales and marketing
- Drive growth of e-commerce and retail sales of high margin Elixinol branded CBD products
- New product development to support national retail (including pharmacy) and e-commerce growth



Elixinol – UK / Europe

Building momentum in the UK and Europe

UK / Europe business



- Continued development of global distribution strategy, prioritising pharmacy, home TV shopping and e-commerce channels
- Pharmacy channel driven by existing partnerships / distribution agreements
 - UK / Europe distribution arrangements with one of the largest distributors in Europe, who supply pharmacies, doctors and health centres across Europe
 - German exclusive distribution agreement signed with MedVec International GmbH, which has access to 22,000 pharmacies
- Home TV shopping via Channel 21 in Germany and Ideal World in the UK
- e-commerce via own site and third-party sites
 - Elixinol has updated its e-commerce website, which will launch Q2 FY2020
 - Significant investment in social media and influencer strategy
- Use of contract manufacturing during early stage market entry
 - Operating efficiencies identified to further improve margins

Market opportunity



- Elixinol is a leader in the UK and Europe, with a strong foothold in hemp derived CBD nutraceutical products in a significant growth market
 - Early stage development – Elixinol is the first global nutraceutical full-spectrum CBD brand to be listed by its UK / Europe distribution partner
 - Increasing barriers to entry – Novel Food Authorisation required to sell in Germany and the UK – Elixinol is in preparation to pursue its Novel Food application under this new regulation
 - Favourable market dynamics – move towards nutraceuticals and preventative health favouring plant-based food supplements



Regulatory frameworks

US	UK / Europe	Australia
<ul style="list-style-type: none"> On 5 March 2020, the US Food and Drug Administration (FDA) issued an update to Congress on the status of rulemaking for CBD. While hemp and cannabinoids derived from hemp such as CBD were legalised under the 2018 Farm Bill, FDA retained their authority to develop a regulatory framework for CBD products, just like any other food, beverage or supplement FDA is actively evaluating a potential rulemaking to allow CBD to be marketed as dietary supplements. In the meantime, the agency is considering the issuance of a risk-based enforcement discretion policy to provide more transparency regarding its enforcement priorities The agency continues to block pathways for adding CBD to food and beverages. FDA maintains that the data currently available raises safety concerns and encourages parties to share relevant information with the FDA 	<ul style="list-style-type: none"> Novel Food defined by any product not "significantly" consumed prior to May 1997 Term used by European countries as a reference to enforce health and safety laws CBD is a Novel Food according to European Food Safety Authority (EFSA) European member countries are being increasingly pressured to make it unlawful for companies to bring ingestible CBD products to market without first applying for a Novel Food authorization from European Commission In 13 November 2019, Germany determined that it would align with the European Commissions directive on CBD – requiring prior safety evaluation and authorization from EFSA before marketing and selling In early 2020, UK Food Standards Agency (FSA) announced that those looking to market ingestible CBD products will have to submit an application for Novel Foods to keep products on shelves beyond March 2021 Complex, technical and expensive Novel Food Authorisation process 	<ul style="list-style-type: none"> As of 24 April 2020, the Therapeutic Goods Administration (TGA) released the Department of Health-initiated proposal to make low-dose CBD available for sale in pharmacies as a Schedule 3 drug The proposed changes would allow the sale of pure CBD (with 2% or less other cannabinoids) to adults in packets containing up to 1,800mg of CBD. This is 30 days supply of the recommended maximum daily dose of 60mg The TGA is now accepting submissions from the public about these proposed changes. The Advisory Committee on Medicines Scheduling (ACMS) will receive submission up to 22 May, in preparation for their late-June meeting Should the ACMS decide to reschedule CBD as per the proposed amendments, the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP) could be amended as early as 1 February 2021 to allow for distribution
<p>Highly competitive and under-regulated market. In mid-term, move to increased regulation expected to favour compliant companies such as Elixinol</p>	<p>Novel Food Authorisation process highly technical and costly. Only mature players like Elixinol expected to navigate successfully</p>	<p>Possible 'home market' play positioning Elixinol as the Australian CBD specialist brand</p>



Refined Elixinol branded product mix

Optimised, customer-led range, with products launched March 2020

Consumer Products



Dietary Supplements



Topicals



Elixinol branded products – the new breed

New Elixinol branded CBD product range

Launched March 2020: carefully researched, highly targeted



- Elixinol's focus is on hemp derived CBD formats that are purposely positioned to what consumers in our key markets recognise as supplements
- New Elixinol branded products are driven by customer demand at both enterprise and consumer level:
 - Tinctures;
 - Topicals;
 - Capsules;
 - Powders;
 - Gummies; and
 - CBD infused skincare / cosmetics
- Elixinol's formulations are crafted by experts and designed for optimal effect
- Rationales for, and desired effect of, each of Elixinol's branded products are thoughtful and well-researched
- Each of Elixinol's new branded products combine high quality hemp derived CBD with specific vitamins and minerals to target different areas of health and wellbeing
- Elixinol's branded products are made with full or broad-spectrum oil at the core of the formulation with increasing demand for broad spectrum



New product development

New immune booster range – capsules



Elixinol Skin – launching H2 FY2020

Full range of CBD-infused skincare



Revenue breakdown by channel

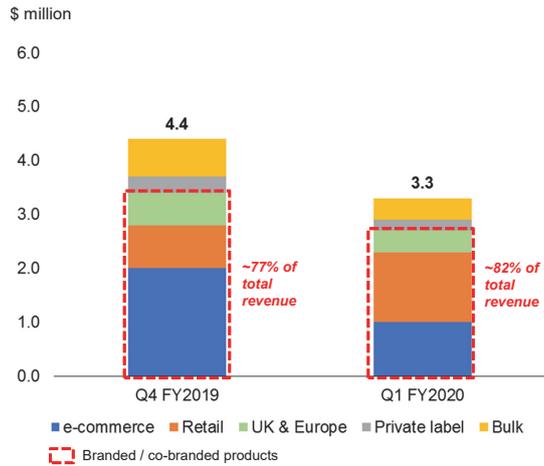
Branded / co-branded products (e-commerce, Retail, UK & Europe)⁽¹⁾

- Increased contribution of total revenue from higher margin branded and co-branded products, representing ~82% for Q1 FY2020 (Q4 FY2019 ~77%)
- Retail channel revenue increased to \$1.3 million in Q1 FY2020 (\$0.8 million in Q4 FY2019)
- e-commerce disruptions due to transition to Magento
 - e-commerce represented ~30% of total revenue in Q1 FY2020, down from ~45% in Q4 FY2019
- Global rebrand and product refresh launched end of Q1 FY2020

Bulk and Private label

- Strategic decision to reduce focus on lower margin bulk and private label business in the US

Revenue by channel (Q4 FY2019 to Q1 FY2020)⁽¹⁾



Note: (1) Based on Q1 FY2020 unaudited accounts

CAPITAL RAISING

2



A Better Way to Feel Better. Kind of Amazing

Offer details

Structure and size	<ul style="list-style-type: none"> 1 for 2.51 pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of up to \$11.0 million (Offer) The Offer is not underwritten
Offer price	<ul style="list-style-type: none"> Offer price of \$0.20 per share, representing a discount of: <ul style="list-style-type: none"> – 48.1% to the closing price of Elixinol's shares of \$0.385 per share on 29 April 2020; and – 39.8% to TERP ⁽¹⁾ of \$0.332
Institutional Entitlement Offer	<ul style="list-style-type: none"> Institutional Entitlement Offer is open from Monday, 4 May to 10:00am Tuesday, 5 May 2020 <ul style="list-style-type: none"> – Institutional Entitlements not taken up and entitlements of ineligible institutional shareholders will be placed into the Institutional Shortfall Bookbuild to be conducted on Tuesday, 5 May 2020
Retail Entitlement Offer	<ul style="list-style-type: none"> Retail Entitlement Offer to existing eligible retail shareholders The Retail Entitlement Offer will open on Tuesday, 12 May 2020 and close on Thursday, 21 May 2020 Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement (Additional New Shares)
Substantial Shareholder Intentions	<ul style="list-style-type: none"> Raw with Life (~39.6% pre-Offer) and D&G Health (~9.0% pre-Offer) will not take up any of their entitlements under the Offer <ul style="list-style-type: none"> – Raw with Life and D&G Health are expected to hold ~28.3% and ~6.4%, respectively, post completion of the Offer Mr Benhaim (on behalf of Raw with Life) has reconfirmed the statement made to ASX on 18 December 2019 that Raw with Life will not sell more than 10% of its holding in the first six months after 8 January 2020, and no more than 10% of its holding in the following six months after that Mr Benhaim has further confirmed Raw with Life will not sell any shares during the Offer period
Ranking	<ul style="list-style-type: none"> New Shares and Additional New Shares issued under the Offer will rank equally with existing shares
Record Date	<ul style="list-style-type: none"> 7:00pm (AEST) on Thursday, 7 May 2020

Note (1) TERP is a theoretical price at which Elixinol shares trade immediately after the ex-date for the Offer assuming 100% take-up of the Offer. The TERP is a theoretical calculation only and the actual price at which Elixinol shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Elixinol's closing price of \$0.385 on 29 April 2020



Sources and uses of funds

Sources	\$m	Comments
Offer proceeds	11.0	Entitlement offer, excluding costs
Total sources	11.0	

Uses	\$m	Comments
Working capital	10.0	Support operating cash flow, consumer brand building and distribution build
Offer costs	1.0	
Total uses	11.0	

Note: The Offer is not underwritten and so this assumes that the Offer is taken up in full.



Capital raising timetable

Event	Date (2020)
Announcement of Offer (in trading halt)	Monday, 4 May
Institutional Entitlement Offer opens	Monday, 4 May
Institutional Entitlement Offer closes	Tuesday, 5 May
Institutional Entitlement Offer shortfall bookbuild	Tuesday, 5 May
Trading halt lifted and announcement of results of Institutional Entitlement Offer	Wednesday, 6 May
Record date for Retail Entitlement Offer (7:00pm AEST)	Thursday, 7 May
Retail Entitlement Offer opens (9:00am AEST)	Tuesday, 12 May
Retail Offer booklet dispatched	Tuesday, 12 May
Settlement of Institutional Entitlement Offer and Institutional Entitlement Offer shortfall	Wednesday, 13 May
Allotment date and normal trading of New Shares issued under the Institutional Entitlement Offer and Institutional Entitlement Offer shortfall	Thursday, 14 May
Retail Entitlement Offer closes (5:00pm AEST)	Thursday, 21 May
Announcement of results of the Retail Entitlement Offer	Tuesday, 26 May
Retail Entitlement Offer shortfall bookbuild	Wednesday, 27 May
Settlement of Retail Entitlement Offer and Retail Entitlement Offer shortfall	Monday, 1 June
Allotment of New Shares and Additional New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Tuesday, 2 June
New Shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall commence trading on ASX	Wednesday, 3 June
Dispatch of holding statements in respect of New shares issued under the Retail Entitlement Offer and Retail Entitlement Offer shortfall	Wednesday, 3 June

The above timetable is indicative only and subject to change. Elixinol reserves the right to vary these dates or to withdraw the Offer at any time. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Elixinol, in consultation with the Lead Manager, reserves the right to amend the timetable at any time.

KEY RISKS

3



Action for Your Bodies Reaction. Kind of Amazing



Key risks

Introduction

- There are risks involved with participating in the Offer and holding Shares in Elixinol Global Limited (the "Company", "Elixinol", "we" or "us"). Certain of these risks are specific to an investment in the Company and others are specific to investing in and holding shares. The occurrence of these risks may have an adverse impact on the Group's business, results of operations, financial condition and the price of Shares.
- The risks detailed below may change after the date of this document and other risks relevant to the Company and its subsidiaries (the "Group") and the Shares may emerge which may have an adverse impact on the Group and the price of the Shares. In particular, investors should note that the unprecedented uncertainties and risks created by the COVID-19 pandemic could materially change the Group's risk profile at any point after the date of this document and adversely impact the financial position and prospects of the Group in the future.
- The risks set out in this section are not exhaustive. Other risks may materially affect the future performance of the Group and the price of the Shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Elixinol's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Elixinol or any other person.



Risks specific to Elixinol's business

Agricultural risk and climate change risk

The Group is exposed to agricultural risk as the businesses are reliant on agricultural products with Elixinol reliant on 'broadacre hemp cultivation'. As such, the businesses are subject to the risks inherent in the agriculture industry. These risks include insects, plant diseases, storm, fire, frost, flood, water availability, water salinity, pests, bird damage and force majeure events. Such risks are also the cause of climate change. These risks may impact the financial performance through increased costs (from low yields or increase prices from low supply) or lack of supply to address customer demands. Supplier arrangements: The Group relies on several key supplier arrangements to supply raw materials. The failure to maintain long term contacts with these suppliers may impact the Group's ability to maintain consistent production levels and meet the customer demand having a financial impact.

Risk of adverse events, product liability or other safety issues

As with all dietary supplements or nutraceutical products, there is a risk that the products sold by the Group cause serious or unexpected side effects, including risk or injury to consumers. Should any of the Group's products be associated with safety risks such as misuse or abuse, inadvertent mislabelling, tampering by unauthorised third parties or product contamination or spoilage, several materially adverse outcomes could occur, including:

- regulatory authorities may revoke any approvals that have been granted, impose more onerous facility standards or product labelling requirements or force the Group to conduct a product recall;
- the Group could be subject to regulatory action or be sued and held liable for any harm caused to customers; or
- the Group's brands and reputation could be damaged.

These may all impact the financial performance and position of the Group.

Systems, security and data privacy

While the Group has policies and procedures in place to address system security and data risks, there is a risk that these may not be adequate which could adversely affect the Group's reputation and financial position. There is also a risk as the Group rapidly expands, its systems will not be scalable to the extent needed or have the ability to leverage the synergies of the differences business across the Group. This may lead to a financial impact and loss in revenue and profitability.

Key management personnel and employees

The Group relies upon its ability to attract and retain experienced and high performing executives and other employees. The failure to achieve this may impact upon the Group's ability to develop and meet its strategies and may lead to a loss in revenue and profitability. These risks are managed on an ongoing basis. Mitigations and strategies to address them are maintained and regularly reviewed, including via regular reporting to the Board.

Uncertainty of future profitability

The future profitability of the Group is contingent on consumer uptake, the results of further research and clinical trials, general economic conditions, the level of competition in the industry and regulatory factors. As a result, anticipated or expected sales may not be achieved, and even if achieved, may not result in Elixinol being profitable.



Risks specific to Elixinol's business (cont'd)

Change to laws or regulations

Elixinol's operations are highly regulated and Elixinol could be adversely affected by changes in laws, regulations or regulatory policy. The operations and proposed operations of Elixinol are subject to a variety of laws, regulations and guidelines. The hemp derived CBD industry is evolving globally, including in the USA and in Europe & the UK. It is likely that governments worldwide will continue to explore the benefits, risks and operations of companies involved in the hemp sector.

Elixinol's business, prospects, reputation, performance and financial condition could all be affected by changes to law and regulation, changes to policies and changes in the supervisory activities and expectations of its regulators across all of the jurisdictions in which it operates. In particular, the regulation of hemp is developing and, as a result, a change in government or increase in political lobbying may result in a change in government policy and an amendment of legislation and/or regulation. For example, there is a risk that the allowable levels of THC in hemp products sold in the US changes, this could potentially result in additional processing costs for the Group and impact the Company's financial performance. There is a further risk that the Food and Drug Administration may seek to change the laws and regulations governing the marketing of CBD products in the US (following a public statement on 5 March 2020 that it intends to engage with stakeholders in relation to this issue). In the US, given that many of the applicable laws and regulations are determined at the State-level, there is a risk that the regulatory regime governing the Group's US operations and distribution network becomes fragmented and difficult to comply with. The introduction of new legislation or amendments to existing legislation by governments, or the respective interpretation of the legal requirements in any of the legal jurisdictions which governs the operations or contractual obligations of Elixinol, could impact adversely on the assets, operations, and the financial performance of the Group and the industry in general.

In the UK, the Food Standards Agency (FSA) announced on 21 February 2020 that it has set a deadline of 31 March 2021 for CBD businesses such as Elixinol to submit valid "novel food authorisation" applications to permit Elixinol to continue to sell its CBD food supplements in the UK. The process of applying for the novel food authorisation, as expressed by the FSA, is regarded by Elixinol as procedural, and the Company considers there to be a very low likelihood of being unable to meet the requirements to obtain novel food authorisations for its CBD food supplement products. The failure to secure novel food authorisations for its CBD food supplement products would have a materially adverse impact on the Company's UK operations – ingestible products make up a large proportion of its business in the UK (with the balance being typically applied products such as cosmetics). Regulatory compliance and the management of regulatory change are an important part of Elixinol's planning processes. Elixinol expects that it will continue to invest in compliance and the management and implementation of regulatory change and, at the same time, significant management attention and resources will be required to update existing or implement new processes to comply with new regulations (such as obligations to provide certain data and information to regulators) or new interpretations of existing laws or regulations. The failure of Elixinol to appropriately manage and implement regulatory change, including by failing to implement effective processes to comply with new regulations has in the past, and could in the future result in Elixinol failing to meet a compliance obligation.

Compliance systems

Elixinol employs a compliance management system which is designed to identify, assess and manage compliance risk. While this system is currently in place, it may not always have been or continue to be effective. Breakdowns may occur in this system due, for example, to flaws in the design of controls or processes. This has resulted in, and may in the future result in, potential breaches of Elixinol's compliance obligations.

Elixinol also depends on its officers, employees, contractors, agents, authorised representatives and external service providers to "do the right thing" for it to meet its compliance obligations. Inappropriate conduct by these individuals, such as neglecting to follow a policy or engaging in misconduct, could result in a failure by Elixinol to comply with compliance obligations.



Risks specific to Elixinol's business (cont'd)

Compliance with laws and regulation; risk of litigation and regulatory investigations

Elixinol operates in a highly regulated and rapidly growing and changing industry and is subject to extensive laws and regulatory requirements in multiple jurisdictions. Elixinol is reliant on the expertise and judgement of its directors, management and advisors in ensuring ongoing compliance with its regulatory obligations, as well as the establishment and maintenance of appropriate systems and procedures, and the Group's ability to attract and retain qualified personnel. In the case of actual or alleged non-compliance with regulatory requirements, the Group could also be subject to investigations and administrative or judicial proceedings or third party claims that may result in substantial penalties, including the revocation of licences and permits or costs (in the form of legal costs, damages claims and settlements). Any such investigation or proceeding, whether successful or unsuccessful, could result in substantial costs and diversion of resources and could adversely affect our business, financial condition and results of operations as well as our reputation (which may in turn affect our relationships with regulators and our ability to obtain or maintain regulatory approvals such as licences). Furthermore, action by any of Elixinol's regulators requiring us to limit or otherwise change operations or prohibiting Elixinol from engaging in certain activities, could materially adversely affect Elixinol's business, financial condition and results of operations. Elixinol announced on 23 October 2019 that it had discovered that non-compliant hemp derived CBD products were being sold by Elixinol Co. Ltd, a Japan-incorporated entity of which Elixinol owned 50.5% at the time (Elixinol Japan). Elixinol announced on 2 December 2019 that it had sold its interest in Elixinol Japan to another shareholder of Elixinol Japan and has since received correspondence from Elixinol Japan stating that all regulatory investigations had concluded and that no further action was required. Notwithstanding this correspondence, the Company cannot independently verify this information and were it to be incorrect there is a risk that the Company or its officers or employees who at the time held positions with Elixinol Japan could in future be subject to regulatory investigation or action.

Elixinol is a defendant in a class action suit filed in the United States District Court for the Northern District of California that alleges, amongst other things, that products sold by Elixinol, LLC, a Colorado Limited Liability Company and wholly owned subsidiary of Elixinol, are mislabelled as dietary supplements and that this may constitute misleading conduct. Elixinol believes that its products are accurately labelled and that the claims are without merit. The United States is an active jurisdiction for class action suits. The fact that Elixinol operates in the United States creates an increased risk of litigation including class action suits. There is a risk that the products produced and supplied by Elixinol are not approved for supply. In addition, Australia is becoming more active as a jurisdiction in relation to class actions, particularly as it relates to matters such as compliance with continuous disclosure obligations. As a listed company in Australia, there is a risk that Elixinol may in the future be subject to one or more class actions in relation to its operations and associated matters (such as continuous disclosure) in Australia.

Loss of key relationships

The hemp derived CBD industry is undergoing rapid growth and change, which has resulted in increasing consolidation and formation of strategic relationships. It is expected that this consolidation and strategic partnering will continue. Acquisitions or other consolidating transactions could harm the Group in a number of ways. The Group may lose strategic relationships if third parties with whom the Group has arrangements with are acquired by or enter into relationships with a competitor (which could cause the company to lose access to necessary resources). The Group's current competitors could become stronger, or new competitors could form from consolidations. This could cause the Group to lose access to markets or expend greater resources in order to stay competitive. Separately, the relationship between the Group and third parties may deteriorate organically, which may have an adverse impact on the Company's business.

Production risk

The ability for the Group entities to cultivate and produce products is dependent on a number of key inputs and their related costs. These key inputs include raw materials, electricity, water, other utilities and skilled labour. Any significant interruption or negative change in the availability or cost of these inputs could materially impact the production of the business and subsequently, the operating results of the Group. In particular, given the nature of the raw materials used by each of the Group entities, supply may be limited to a single or limited number of suppliers, with access to these raw materials more competitive than conventional ingredients. As a result, there is an enhanced risk of difficulties in securing the required supplies, or to do so on appropriate terms.

Supplier arrangements

The Company has arrangements with a number of key suppliers. To the extent that the Group companies cannot secure and retain key suppliers, their respective abilities to maintain consistent production levels may be compromised, which in turn may have a material adverse impact on the financial performance and position of the Group.





Risks specific to Elixinol's business (cont'd)

Reputational risk

There is a risk that incidents beyond the control of the Group entities could occur which would have the effect of reducing patient, medical/scientific or regulatory confidence, or preferences for cannabis or medicinal cannabis products generally. This reputational risk could result from incidents involving members of the Group or other non-related industry participants.

Protection of intellectual property

The Group's success will depend on, in part, its ability to protect its intellectual property, including its trade marks, copyright, trade secrets and know-how. To the extent the Company fails to protect its intellectual property or infringes a third party's intellectual property, the Company may face increased competition from similar products, have to cease using certain intellectual property or be liable for damages. In the event that this occurs, there is a risk that it has a materially adverse impact on the Group's operations, financial performance and future prospects.

Competition risk

The industries in which the current Group entities are involved is subject to domestic and international competition. While the companies will undertake all reasonable due diligence in its business decisions and operations, the companies will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company. Some of the Company's competitors and potential competitors may have significantly more financial resources and marketing experience than the Company which may lead to reduced margins and loss of revenue or loss of market share. Further, revenues in the future may be reduced as the industry consolidates and seeks revenue accretion at the expense of profit margin.

Uncontracted sales

A material proportion of the Group's revenue is derived from uncontracted customer relationships, with sales made under standard terms and conditions. There is a risk that these customer relationships may not be able to be maintained, or new relationships may not be formed, on terms acceptable to the Company. Additionally, given the uncontracted nature of these relationships, it is not possible to guarantee consistency of sales volumes, price or terms going forward. The Company's financial performance could be materially and adversely impacted by wholesale customers:

- materially changing its trading terms;
- promoting the products of one or more of the Company's competitors; or
- refusing to promote or stock the Company's products or significantly reducing orders for its products.

Contracts and agreements

There are a number of risks associated with the Group's existing contracts and agreements, including those related to previous supply arrangements and property leases. There is a risk that the Group's existing contracts may be terminated, lost or impaired, or renewed on less favourable terms. Some of the Group's contracts can be terminated without cause or on short notice periods (depending on events and circumstances), and although the relevant parties may continue to operate on existing commercial terms, a number of its existing contracts have expired or will shortly expire. A loss of any of the Group's contracts could have a materially adverse effect on its business, operating and financial performance. Similarly, there is a risk that the Group may not meet its existing obligations under current contracts and agreements. Should this be the case, the Group may be liable (to varying extents) under indemnity provisions in a number of contract and agreements. Any failure to meet these obligations could materially adversely impact the financial position of the Company.



Risks specific to Elixinol's business (cont'd)

Counterparty risks

Elixinol has entered, and may enter, into several commercial agreements and arrangements (including licences) with third parties that are, or could be, material to the financial performance and prospects of the business. There is a risk that counterparties may not either execute these agreements or, in respect of agreements that have been executed or are executed in the future, the counterparty may fail to meet their obligations under those agreements and arrangements. Negative commercial consequences will, or are likely to result from, the non-execution of such an agreement or any non-observance of obligations under such agreements. These consequences may include the prevention of the relevant member of the Group to execute a part, or parts, of its business plan. This in turn result in an adverse effect on the Group's proposed activities and operations, financial performance and prospects.

Impairments

Many of the risks set out in this presentation may be cause for Elixinol to reassess the carrying value of its assets. Indicators of impairment can exist for a number of reasons including where asset valuations are lower than their written down book values, certain activities, contracts or joint ventures are discontinued, a determination is made that equipment can no longer be utilised by the group in producing its products or sold to a third party or inventory passes its shelf life, can no longer be used in the production of Elixinol's products and/or cannot be sold to a third party, amongst other things. The recognition of an impairment will result in a write-down of asset value and an equivalent non-cash charge to the income statement, thereby reducing Elixinol's net assets and reported profits respectively. Elixinol assesses for indicators of impairment at each reporting period.

Acquisitions and disposals

Historically, acquisitions have played a significant role in the growth of our business, and we may continue to pursue growth through acquisitions in the future. We may not, however, be able to identify suitable acquisition candidates or to finance or complete such transactions on acceptable terms. Additionally, the integration of acquired businesses may result in significant challenges, and we may be unable to accomplish such integration smoothly or successfully. We may also seek to dispose of certain businesses or entities.

Specifically, we have recently announced the sale of our subsidiary Hemp Foods Australia Pty Ltd (HFA) to Yunnan Lixin Biological Pharmaceutical Co., Ltd., pursuant to a share purchase agreement (SPA). The sale of HFA is in line with Elixinol's refined strategy to focus on the hemp derived CBD market. Completion under the SPA is expected to occur on 1 June 2020 and is conditional on, amongst other standard conditions, obtaining third party consents and entry into a licence agreement between us as the exclusive licensee to manufacture and distribute Elixinol branded hemp derived CBD products in parts of Asia. There is a risk that these conditions may not be fulfilled, or the transaction will not otherwise complete, and therefore the Company will not receive the expected proceeds of the sale. If the transaction does not complete, then HFA will continue to operate until Elixinol determines an alternative strategy in relation to that business.

Inversion

For US federal income tax purposes, a corporation is generally considered a tax resident in the jurisdiction of its organisation or incorporation. Because the Company is an Australian entity, it would generally be classified as a foreign corporation (and, therefore, not a US tax resident) under these rules. Nevertheless, the Company may be treated as a US corporation and, therefore, a US tax resident for US federal income tax purposes (the so-called "anti-inversion" rules). The US anti-inversion rules are intended to dissuade US corporations and partnerships from domiciling offshore. It applies when a non-US corporation acquires, directly or indirectly, substantially all of the assets of a US corporation or partnership. The anti-inversion rules do not apply to a non-US acquiring corporation to the extent such corporation (including its "expanded affiliated group") has "substantial business activities" in its country of organisation. As relevant in this situation, the Company (as the non-US acquiring corporation) is likely to fail the substantial business activities test. The former owners of Elixinol US are likely to own 80% or more of the vote or value of the Company (excluding the value of stock issued in a public offering or a private placement) by reason of the transfer of Elixinol US. Accordingly, the Company is likely to be treated as a US resident corporation for US federal income tax purposes. To the extent the Company is treated as a US resident corporation as a result of the operation of the anti-inversion rules, the following high-level US federal income tax considerations would apply:

- The Company would be treated as a US corporation subject to U.S. federal income tax on its worldwide earnings.
- The Company would be required file an annual US federal income tax return and comply with all US federal income tax laws.
- Non-US subsidiaries under control of the Company would be treated as controlled foreign corporations for US federal income tax purposes.
- Distributions paid by the Company to non-US shareholders, and other payments of passive-type income (e.g., interest, royalties, rents, etc.) could be subject to US withholding tax. Please note that the above is not intended to be an exhaustive or complete analysis of the US federal income tax consequences to the Company or its other subsidiaries. Management and the Company's tax adviser will further analyse the anti-inversion rules, as well as potential new tax legislation in the US.



General investment risks

Coronavirus (COVID-19)

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of individuals, businesses, and governments to operate. Across the globe, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic. There continues to be considerable uncertainty as to the duration of and further impact of COVID-19 including in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and supply restrictions.

The impact of some or all of these factors could cause an adverse impact to the Group's financial performance even though we operate an essential business. Furthermore, as an international business supplying products to various markets globally, the pandemic and associated impacts could necessitate further capital requirements / support (either on a standalone basis or concurrently), which creates additional challenges and risks for the financial position of the Group.

Furthermore, the Group's financial position may be adversely impacted if certain of its suppliers (including its counterparties, suppliers of IT services, and other suppliers of products and services) are unable to successfully implement business continuity plans in the current environment or if any such suppliers are unable to continue as going concerns as a result of the economic impact of COVID-19. The spread of COVID-19 has already resulted in governmental authorities in Australia, the United States and other countries around the world imposing a variety of measures restricting day-to-day life, including quarantines and travel restrictions of varying scope. This has resulted in significant disruptions in the global economy and the economies of particular countries, including health systems and manufacturing supply chains, consumption and overall economic output, which in turn has caused lower interest rates and significant volatility in global financial markets.

However, the extent of the impact on our business, results of operations, financial condition, liquidity and cash flows is largely dependent on future developments, which are highly uncertain and not predictable, including the scale of COVID-19 and actions taken to address its impact. Moreover, changes in interest rates, reduced liquidity or a continued slowdown in Australia, the United States or global economic conditions may also adversely affect our business, financial condition, results of operations, liquidity or prospects. Further, extreme market volatility may leave us unable to react to market events in a prudent manner.

General economic conditions

The operating and financial performance of the Group is influenced by a variety of global economic and business conditions. Prolonged deterioration in general economic conditions, for example a decrease in consumer and business demand which may impact the demand of the Group's customers for our products, could be expected to have a material adverse impact on the Group's business or financial condition. It is possible that a material deterioration of macroeconomic conditions could occur in the markets in which the Group operates as a result of the impact of COVID-19 and such a deterioration could materially adversely impact the Group's business, financial condition and results of operations.

The Company's performance is influenced by economic conditions globally. Most regions in which the Company operates in or supplies to have been significantly and adversely affected by the actions taken to mitigate the spread of COVID-19, with many economies expected to experience severe economic recessions. The Group could be at risk of loss of earnings if it were unable to adapt in response to lower than expected revenues, or higher than expected costs, caused by these adverse changes in the economy and general business conditions or operating environment.



General investment risks (cont'd)

General risks associated with investments in equity capital

Investors should be aware that there are risks associated with any investments in equity capital. The value of the New Shares may rise above or fall below the Offer Price, depending on the financial position and operating performance of the Group. Further, the price at which the New Shares trade on the ASX may be affected by several factors unrelated to the financial and operating performance of the Group and over which Elkinol and the Directors have limited or have no control. These external factors may include:

- the impact of COVID-19;
- macroeconomic conditions and outlook in Australia and globally;
- changes in interest rates and the rate of inflation;
- investor sentiment in the local and international stock markets;
- changes in fiscal, monetary, regulatory and other government policies;
- changes in government legislation and policies, including tax laws;
- the development of new technologies and displacement of existing technologies; and
- geo-political conditions such as acts or threats of terrorism or military conflicts.

Investors should also note that the historic share price performance of the Group shares provides no guidance as to its future share price performance.

There have been significant fluctuations and volatility in the prices of equity securities in recent months, which may have been caused by general rather than company-specific factors, including the general state of the economy, the response to the COVID-19 pandemic, investor uncertainty, geopolitical instability, and global hostilities and tensions. In particular, the COVID-19 pandemic has resulted in significant market falls and volatility both in Australia and overseas, including in the prices of equity securities. As detailed above, there continues to exist considerable uncertainty as to the further impact of COVID-19 on the Australian and global economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the economy and share markets. Any of these events and resulting fluctuations may materially adversely impact the market price of the Shares.

The Company may not have settlement support from its Lead Manager

The Company has entered into an lead manager agreement with the Lead Manager in respect of the Offer (Lead Manager Agreement) and pursuant to which the Lead Manager is acting as sole lead manager and bookrunner to the Offer. The Lead Manager Agreement contains representations and warranties and indemnities in favour of the Lead Manager. The Lead Manager may terminate its obligations under the Lead Manager Agreement on the occurrence of certain termination events including where:

- the conditions precedent in the Lead Manager Agreement (including delivery by The Company to the Lead Manager of a due diligence questionnaire) are not satisfied or waived by their respective deadlines;
- certain documents and publications in respect of the Offer include content that is misleading or deceptive in a material respect or likely to mislead or deceive in a material respect (including by omission);
- the Cleansing Statement lodged with ASX is or becomes "defective" within the meaning of the Corporations Act;
- the Company is prevented from issuing the New Shares within the time required by the Timetable, by the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;
- any member of the Group suffers an insolvency event, or there is an act or omission which is likely to result in any member of the Group suffering an insolvency event;
- ASX refuses to grant official quotation of all the New Shares under the Offer or approval is subsequently withdrawn in accordance with particular dates in the Timetable;
- the Company ceases to be admitted to the official list of ASX or its shares are delisted or suspended from quotation by ASX for at least 1 Business Day;
- there is a change to the board of directors, the chief executive officer or chief financial officer of The Company;
- either:
 - as at the close of the trading date prior to settlement of the Institutional Settlement Date, the S&P/ASX 200 Index is 10% or more below its level as at the close of trading on the trading day before the Institutional Opening Date; or
 - prior to the Retail Settlement Date, but after the Institutional Settlement Date, the S&P/ASX 200 Index falls by 10% or more below its level as at the close of trading on the trading day before the Institutional Opening Date, and remains at or below that level for at least two consecutive days or (if earlier) until the period ending at 5:00pm (Sydney time) on the trading day immediately prior to the Retail Settlement Date.



General investment risks (cont'd)

The Company may not have settlement support from its Lead Manager (cont'd)

- (j) either:
- (i) an application is made by ASIC for an order under Part 9.5 of the ASIC Act; or
 - (ii) ASIC commences any investigation or hearing under Part 3 of the ASIC Act,
- in relation to the Offer or the Offer Materials and any such application, investigation or hearing becomes public or is not withdrawn within three Business Days after it is made;
- (k) any event specified in the timetable for the Offer is delayed for more than 1 business day without the prior written consent of the Lead Manager;
- (l) The Company withdraws the Offer;
- (m) any certificate which is required to be provided by The Company under the Lead Manager Agreement is not provided when required; or

In addition, the following termination events will depend on: (1) whether the event has, or is likely to have, a material adverse effect on the marketing, success, outcome of the Offer; or (2) whether the event has given rise to, or is likely to give rise to a contravention of the Lead Manager or any of its Affiliates or liability for the Lead Manager or any of its Affiliates under the Corporations Act or any other applicable law, regulation or rule of any stock exchange:

- (a) there is an adverse change, or an event occurs which is reasonably likely to give rise to an adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group, or in the nature of the business conducted by the Group, other than as disclosed by The Company to the ASX before the date of the Lead Manager Agreement or in the materials released to ASX in connection with the Offer;
- (b) the Company fails to perform or observe any of its obligations under the Lead Manager Agreement, an obligation of the Company becomes incapable of being performed or observed by the required time, or a representation or warranty made or given by the Company proves to be, or has been, or becomes, untrue, incorrect or misleading;
- (c) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency which makes it illegal for the Lead Manager to satisfy an obligation under this agreement;
- (d) a statement in a Closing Certificate is false, misleading, inaccurate, untrue or incorrect (including by way of omission);
- (e) there is introduced, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Lead Manager Agreement);
- (f) information in the due diligence materials provided by the Company to the Lead Manager becomes untrue, incorrect, misleading or deceptive (including by omission);
- (g) the Company is required to give ASX a notice of correction in relation to the Cleansing Statement in accordance with section 70BAA(12) of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);
- (h) there is: (i) a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, Hong Kong or Singapore declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries; (ii) a suspension or limitation in a material respect of trading in all securities quoted or listed on ASX, the LSE, the NYSE, the HKSE or the SGX for at least one day on which the exchange is open; or (iii) any adverse change or disruption to the existing financial markets, political or economic conditions or currency exchange rates or controls in Australia, the United States or the United Kingdom or the international financial markets; or
- (i) there is an outbreak of hostilities (whether or not a war or a national emergency has been declared) not presenting existing, or a major escalation in existing hostilities occurs involving any one or more of Australia, Canada, a member of the European Union, Japan, Hong Kong, New Zealand, Singapore, the People's Republic of China, the United Kingdom or the United States of America or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world.

If the Lead Manager terminates its obligations under the Lead Manager Agreement or the Offer is otherwise withdrawn, the Lead Manager will not be obliged to perform its obligations that remain to be performed. Termination of the Lead Manager Agreement could have an adverse impact on the amount of proceeds raised under the Offer. In these circumstances, The Company would need to utilise alternative funding options to achieve its objectives as described in this Presentation. Failure to raise sufficient funds under the Offer (as a result of it not proceeding or otherwise) could also materially adversely affect the Company's business, cash flow, financial position and results of operations.



General investment risks (cont'd)

Non-underwritten offer risk

The Offer is not underwritten, and accordingly there is no certainty that Elixinol will raise sufficient funds under the Offer to meet its objectives from the capital raising.

Dilution risk

If you do not take up all of your entitlement under the offer, then your percentage security holding in the Company will be diluted by not participating to the full extent in the offer. Investors may also have their investment diluted by future capital raisings by the Company. The Company may issue new securities in the future which may, under certain circumstances, dilute the value of an investor's interest.

Future capital raising risk

The Company may be required to raise additional equity or debt capital to finance its commercial activities. There can be no assurance that the Company will be able to raise that finance on acceptable terms or in a timely manner.



INTERNATIONAL OFFER RESTRICTIONS

4



Works as Hard as You Do. Kind of Amazing



HIGHLIGHTS &
BUSINESS UPDATE

CAPITAL RAISING

KEY RISKS

INTERNATIONAL OFFER
RESTRICTIONS

International offer restrictions

This document does not constitute an offer of entitlements ("Entitlements"), new ordinary shares ("New Shares") or additional ordinary shares ("Additional New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements, New Shares and Additional New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany. Accordingly, this document may not be made available, nor may the Entitlements, the New Shares or Additional New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Entitlements and New Shares in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements, the New Shares and Additional New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Entitlements, the New Shares and Additional New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements, the New Shares and the Additional New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Entitlements, New Shares or Additional New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.



EXL TRADING UPDATE AND CAPITAL RAISING

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International offer restrictions (cont'd)

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Entitlements, the New Shares and Additional New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares and Additional New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, has provided the necessary certification).

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements, the New Shares and Additional New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



For more information:

Investor relations and media please contact:

Ron Dufficy
Chief Financial Officer
ron.dufficy@elixinolglobal.com





ASX Announcement 6 May 2020

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

ELIXINOL SUCCESSFULLY COMPLETES INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER AND ANNOUNCES PARTIAL UNDERWRITING OF THE RETAIL ENTITLEMENT OFFER

Elixinol Global Limited (**Elixinol Global** or the **Company**) (**ASX:EXL; OTC:ELLXF**) is pleased to announce the successful completion of the institutional component of its accelerated non-renounceable pro rata entitlement offer (**Entitlement Offer**), details of which were announced to ASX on Tuesday, 5 May 2020 as well as provide an update on the Entitlement Offer.

Outcome of the Institutional Entitlement Offer

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) closed on Tuesday, 5 May 2020 and raised approximately \$5.3 million from the subscriptions for new fully paid ordinary shares in the Company (**New Shares**) at a price of \$0.20 per New Share.

New Shares in respect of institutional entitlements not taken up under the Institutional Entitlement Offer and New Shares that would have represented the entitlements of ineligible institutional shareholders were offered and placed to other institutional investors.

Elixinol Global's CEO, Oliver Horn, said: *"We are very pleased with the result of the capital raise as it represents a confident endorsement for our strategy to create a global nutraceutical wellness brand. Elixinol has built a strong position in key global markets and with the additional liquidity we can now focus on building a strong consumer brand. Importantly, this is also an endorsement of our new management's ability to create value for its shareholders."*

Approximately 26.7 million New Shares subscribed for under the Institutional Entitlement Offer (including as part of the institutional shortfall bookbuild) are expected to be issued on Thursday, 14 May 2020 and commence trading on the ASX on the same day. New Shares issued under the Offer will rank equally with existing Elixinol Global shares as at their date of issue.

Underwriting commitment by the Lead Manager

The Company and Bell Potter Securities Limited (the **Lead Manager**) have agreed to amend the offer management agreement and the Lead Manager will now fully underwrite the Institutional Entitlement Offer, and 50% of the retail component of the Entitlement Offer

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(**Retail Entitlement Offer**) on the terms and conditions of that agreement. Accordingly, this means that the Company has, subject to the terms of the offer management agreement, certainty of raising at least approximately \$8.2 million from the Entitlement Offer. Details of the termination rights of the Lead Manager under the offer management agreement are set out in Annexure A to this announcement.

Fees payable to the Lead Manager remain as disclosed in the Appendix 3B released by the Company on 5 May 2020.

Retail Entitlement Offer

The Retail Entitlement Offer seeks to raise a further \$5.6 million via a 1 for 2.51 accelerated pro-rata non-renounceable entitlement offer of approximately 28.2 million shares. The Retail Entitlement Offer is expected to open on Tuesday, 12 May 2020 and close at 5.00pm (AEST) on Thursday, 21 May 2020.

The despatch of the retail entitlement offer booklet for the Retail Entitlement Offer (**Retail Entitlement Offer Booklet**) (along with personalised Entitlement and Acceptance Forms for Eligible Retail Shareholders) is scheduled to occur on Tuesday, 12 May 2020.

The terms and conditions under which Eligible Retail Shareholders may apply for New Shares or Additional New Shares (as applicable) under the Retail Entitlement Offer are outlined in the Retail Entitlement Offer Booklet. Copies of the Retail Entitlement Offer Booklet will be available on the ASX website and <https://www.elixinolglobal.com/site/investor/investor-centre-home> from Tuesday, 12 May 2020.

Under the Retail Entitlement Offer, Eligible Retail Shareholders who take up their entitlement in full may apply for Additional New Shares in excess of their entitlement (**Oversubscription Facility**). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders, or entitlements that would have been offered to Ineligible Retail Shareholders had they been invited to participate. The allocation of Additional New Shares under the Oversubscription Facility will be subject to the terms set out in the Retail Entitlement Offer booklet.

The Company expects ASX to lift the trading halt and for its ordinary shares to recommence trading on an ex-entitlements basis from market open today.

This document was authorised to be given to the ASX by the Board of the Company.

For more information please contact:

Ron Dufficy
Chief Financial Officer
ron.dufficy@elixinolglobal.com

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About Elixinol Global

Elixinol Global Limited (ASX:EXL; OTC:ELLXF) is a global leader in the hemp derived CBD industry, innovating, manufacturing and selling hemp derived CBD products. The Company's simplified business model is focusing on:

- In the Americas, innovating, manufacturing and selling high quality Elixinol branded hemp derived CBD products based in Colorado, USA
- In Europe & UK, educating and selling high quality Elixinol branded and co-branded hemp derived CBD products based in Amsterdam, The Netherlands
- In Australia, providing stronger unified planning and support across the group to enable the various regional offices to focus on operational strategy and execution through its Global Executive Office based in Sydney, Australia
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares offered and sold under the Entitlement Offer may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which the Company has no obligation to do) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. Each person that reviews the information contained in this Presentation that is in the United States will be deemed to represent (a) that it is either (1) a "qualified institutional buyer" within the meaning of Rule 144A of the U.S. Securities Act or (2) a dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k) of the U.S. Securities Act) for which it has, and is exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S, in reliance on Regulation S, and (b) and agree that it will not forward or deliver this Presentation, electronically or otherwise, to any other person.

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ANNEXURE A Termination rights of Lead Manager

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Lead Manager. The Lead Manager may terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including where:

- (a) the conditions precedent in the Underwriting Agreement (including delivery by The Company to the Lead Manager of a due diligence questionnaire) are not satisfied or waived by their respective deadlines;
- (b) certain documents and publications in respect of the Offer include content that is misleading or deceptive in a material respect or likely to mislead or deceive in a material respect (including by omission);
- (c) the Cleansing Statement lodged with ASX is or becomes "defective" within the meaning of the Corporations Act;
- (d) the Company is prevented from issuing the New Shares within the time required by the Timetable, by the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;
- (e) any member of the Group suffers an insolvency event, or there is an act or omission which is likely to result in any member of the Group suffering an insolvency event;
- (f) ASX refuses to grant official quotation of all the New Shares under the Offer or approval is subsequently withdrawn in accordance with particular dates in the Timetable;
- (g) the Company ceases to be admitted to the official list of ASX or its shares are delisted or suspended from quotation by ASX for at least 1 Business Day;
- (h) there is a change to the board of directors, the chief executive officer or chief financial officer of The Company;
- (i) either:
 - (i) as at the close of the trading date prior to settlement of the Institutional Settlement Date, the S&P/ASX 200 Index is 12.5% or more below its level as at the close of trading on the trading day before the Institutional Opening Date; or
 - (ii) prior to the Retail Settlement Date, but after the Institutional Settlement Date, the S&P/ASX 200 Index falls by 12.5% or more below its level as at the close of trading on the trading day before the Institutional Opening Date, and remains at or below that level for at least two consecutive days or (if earlier) until the period ending at 5.00pm (Sydney time) on the trading day immediately prior to the Retail Settlement Date,
- (j) either:
 - (i) an application is made by ASIC for an order under Part 9.5 of the ASIC Act; or
 - (ii) ASIC commences any investigation or hearing under Part 3 of the ASIC Act, in relation to the Offer or the Offer Materials and any such application, investigation or hearing becomes public or is not withdrawn within three Business Days after it is made;
- (k) any event specified in the timetable for the Offer is delayed for more than 1 business day without the prior written consent of the Lead Manager;
- (l) the Company withdraws the Offer; or
- (m) any certificate which is required to be provided by The Company under the Underwriting Agreement is not provided when required.

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In addition, the following termination events will depend on: (1) whether the event has, or is likely to have, a material adverse effect on the marketing, success, outcome of the Offer; or (2) whether the event has given rise to, or is likely to give rise to a contravention of the Lead Manager or any of its Affiliates or liability for the Lead Manager or any of its Affiliates under the Corporations Act or any other applicable law, regulation or rule of any stock exchange:

- (a) there is an adverse change, or an event occurs which is reasonably likely to give rise to an adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group, or in the nature of the business conducted by the Group, other than as disclosed by The Company to the ASX before the date of the Underwriting Agreement or in the materials released to ASX in connection with the Offer;
- (b) the Company fails to perform or observe any of its obligations under the Underwriting Agreement, an obligation of the Company becomes incapable of being performed or observed by the required time, or a representation or warranty made or given by the Company proves to be, or has been, or becomes, untrue, incorrect or misleading;
- (c) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency which makes it illegal for the Lead Manager to satisfy an obligation under this agreement;
- (d) a statement in a Closing Certificate is false, misleading, inaccurate, untrue or incorrect (including by way of omission);
- (e) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement);
- (f) information in the due diligence materials provided by the Company to the Lead Manager becomes untrue, incorrect, misleading or deceptive (including by omission);
- (g) the Company is required to give ASX a notice of correction in relation to the Cleansing Statement in accordance with section 708AA(12) of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);
- (h) there is: (i) a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, Hong Kong or Singapore declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries; (ii) a suspension or limitation in a material respect of trading in all securities quoted or listed on ASX, the LSE, the NYSE, the HKSE or the SGX for at least one day on which the exchange is open; or (iii) any adverse change or disruption to the existing financial markets, political or economic conditions or currency exchange rates or controls in Australia, the United States or the United Kingdom or the international financial markets; or
- (i) there is an outbreak of hostilities (whether or not a war or a national emergency has been declared) not presenting existing, or a major escalation in existing hostilities occurs involving any one or more of Australia, Canada, a member of the European Union, Japan, Hong Kong, New Zealand, Singapore, the People's Republic of China, the United Kingdom or the United States of America or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world.

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ASX Announcement 7 May 2020

Sale of Nunyara Land

Elixinol Global Limited (**Elixinol** or the **Company**) (**ASX:EXL; OTC:ELLXF**)

Further to the announcement on 3 February 2020, the Company is pleased to announce the sale of the land owned by Nunyara Pharma Pty Ltd to a private individual for A\$2,560,000. A contract for sale and purchase of land was exchanged today and settlement is scheduled to occur on 22 May 2020. The Company intends to redeploy the cash proceeds from the sale to support Elixinol's branded CBD nutraceuticals strategy.

This document was authorised to be given to the ASX by the Board of the Company.

For more information please contact:

Ron Dufficy
Chief Financial Officer
ron.dufficy@elixinolglobal.com

About Elixinol Global

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- In Europe & UK, educating and selling high quality Elixinol branded and co-branded hemp derived CBD products based in Amsterdam, The Netherlands
- In Australia, providing stronger unified planning and support across the group to enable the various regional offices to focus on operational strategy and execution through its Global Executive Office based in Sydney, Australia
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com

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5. Australian Taxation Implications

This section is a general summary of the Australian income tax, goods and services tax (**GST**) and stamp duty (collectively, **taxation**) implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

None of Elixinol, any of its officers or employees, its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Shares on revenue account or as trading stock; or
- acquired the Shares in respect of which the Retail Entitlements are issued under an employee share scheme or where the New Shares are acquired pursuant to an employee share scheme; or
- are subject to special taxation rules, such as being exempt from Australian tax, being superannuation entities with accounts in a tax-free pension phase, the taxation of financial arrangements rules or the investment manager regime; or
- acquired Retail Entitlements otherwise than because you are an Eligible Retail Shareholder.

The comments in this section are necessarily general in nature and are based on the Australian taxation law as it applies as at 9.00am (AEST) on Tuesday, 12 May 2020. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial or administrative interpretations of law after this time unless otherwise specified. The comments also do not take into account tax law of any country other than Australia.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

ISSUE OF ENTITLEMENT

The issue of the Entitlement should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

EXERCISE OF ENTITLEMENT AND APPLYING FOR ADDITIONAL NEW SHARES AND TOP-UP SHARES

An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement under the Retail Entitlement Offer.

New Shares will be acquired where the Eligible Retail Shareholder exercises all or part of their Entitlement under the Retail Entitlement Offer. Additional New Shares may be acquired where the Eligible Retail Shareholder elects to apply for Additional New Shares in excess of the Eligible Retail Shareholder's Entitlement. Top-Up Shares may be issued in the circumstances detailed in section 6.5.

For Australian capital gains tax (**CGT**) purposes:

- each New Share, Additional New Share and Top-Up Share should be taken to have been acquired on the date the New Share, Additional New Share and Top-Up Share (respectively) is issued to the Eligible Retail Shareholder;
- each New Share should have a cost base (and reduced cost base) that is equal to the Offer Price that is payable for the New Share plus certain non-deductible incidental costs incurred in acquiring, holding and disposing the New Share); and

- each Additional New Share and Top-Up Share should have a cost base (and reduced cost base) that is equal to the Offer Price plus certain non-deductible incidental costs incurred in acquiring, holding and disposing the Additional Share or Top-Up Share.

ENTITLEMENT NOT EXERCISED

Any Entitlement not taken up under the Retail Entitlement Offer will lapse, and the Eligible Retail Shareholder will not receive any consideration. There should not be any tax implications for an Eligible Retail Shareholder from the lapse of all or some of their Entitlements.

TAXATION IN RESPECT OF DIVIDENDS

Where dividends on a New Share, Additional New Share or Top-Up Share are paid by Elixinol, those dividends will constitute assessable income of an Eligible Retail Shareholder.

An Eligible Retail Shareholder that is an individual or complying superannuation entity should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend. Such an Eligible Retail Shareholder should be entitled to a tax offset equal to the franking credit attached to the dividend subject to satisfying the 'holding period' and 'related payment' rules (refer to comments below). The tax offset can be applied to reduce the Eligible Retail Shareholder's tax payable. Where the tax offset exceeds the Eligible Retail Shareholder's tax payable, such an Eligible Retail Shareholder should be entitled to a refund equal to the excess tax offsets.

An Eligible Retail Shareholder that is a company should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend. Such an Eligible Retail Shareholder should be entitled to a tax offset equal to the franking credit attached to the dividend subject to satisfying the 'holding period' and 'related payment' rules (refer to comments below) and other integrity rules. Such an Eligible Retail Shareholder should be entitled to a credit in its own franking account to the extent of the franking credits attached to the dividend received. Where the tax offset exceeds the Eligible Retail Shareholder's tax payable, such Eligible Retail Shareholder should not be entitled to a refund, but the excess tax offset may be able to be converted into carry forward tax losses in certain circumstances.

An Eligible Retail Shareholder who is a trustee (other than a trustee of a complying superannuation entity) or partnership should include the dividend in the net income of the trust or partnership in the year the dividend is paid, together with any franking credit attached to that dividend. A beneficiary or partner may be entitled to a tax offset in proportion to the respective beneficiary's or partner's share of the net income of the trust or partnership subject to satisfying the 'holding period' and 'related payment' rules (refer to comments below) and other integrity rules.

Where a dividend paid by Elixinol is wholly or partly unfranked, the Eligible Retail Shareholder should include the unfranked amount in their assessable income and there will be no tax offset entitlement to that extent.

NEW SHARES, ADDITIONAL NEW SHARES AND TOP-UP SHARES HELD AT RISK

In order to be eligible for the benefit of franking credits and tax offsets, an Eligible Retail Shareholder must satisfy both the 'holding period' and 'related payment' rules. This broadly requires that an Eligible Retail Shareholder holds the New Shares, Additional New Shares and Top-Up Shares 'at risk' for at least 45 days continuously (not including the date of acquisition and disposal) during the holding period.

The holding period commences on the day after the Eligible Retail Shareholder acquires the New Shares, Additional New Shares and Top-Up Shares (respectively) and ending on the 45th day after the New Shares, Additional New Shares and Top-Up Shares (respectively) become ex-dividend.

Any day on which an Eligible Retail Shareholder has a materially diminished risk of loss or opportunity for gain in respect of the New Shares, Additional New Shares or Top-Up Shares will not be counted as a day on which the Eligible Retail Shareholder held the shares 'at risk', but such days do not break the continuity of holding.

Where these rules are not satisfied, the Eligible Retail Shareholder will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

The holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed A\$5,000.

The related payment rule applies where the Eligible Retail Shareholder has made, or is under an obligation to make, a related payment in relation to a dividend paid by Elixinol. The related payment rule requires the Eligible Retail Shareholder to have held the New Shares, Additional New Shares and Top-Up Shares at risk for a period commencing on the 45th day before, and ending on the 45th day after, the day the New Shares, Additional New Shares and Top-Up Shares become ex-dividend.

DISPOSAL OF NEW SHARES, ADDITIONAL NEW SHARES OR TOP-UP SHARES

The disposal of New Shares, Additional New Shares or Top-Up Shares will be a disposal for CGT purposes.

An Eligible Retail Shareholder should make a capital gain where the capital proceeds on disposal exceed the cost base of the New Share, Additional New Shares or Top-Up Share. An Eligible Retail Shareholder should make a capital loss where the capital proceeds are less than the reduced cost base of the New Share, Additional New Shares or Top-Up Shares.

An Eligible Retail Shareholder that is an individual, complying superannuation entity or trustee and that has held their New Shares, Additional New Shares or Top-Up Shares for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal should be entitled (subject to meeting other conditions) to apply the CGT discount to reduce the capital gain (after utilising current or prior year capital losses). The CGT discount is 50% for individuals and entities acting as trustees, and 33⅓% for complying superannuation entities. The CGT discount is not available for companies (unless shares are held by the company in the capacity as trustee).

An Eligible Retail Shareholder that makes a capital loss can only utilise that loss to reduce capital gains – that is, the capital loss cannot be used to reduce amounts contributing to taxable income that are not capital gains. However, if the capital loss cannot be utilised in a particular income year it may be carried forward to utilise in future income years, provided certain loss utilisation tests are satisfied.

TAX FILE NUMBER WITHHOLDING

Resident investors may, if they choose, notify Elixinol of their Tax File Number or Australian Business Number or a relevant exemption from withholding tax with respect to dividends. In the event Elixinol is not so notified, tax will automatically be deducted at the highest marginal rate, including where relevant the Medicare levy, from unfranked dividends and/or distributions.

Australian tax resident investors may be able to claim a tax credit/rebate (as applicable) in their income tax returns in respect of any tax withheld on dividends.

GST

The taking up of the New Shares, Additional New Shares and Top-Up Shares will be classified as a "financial supply" for Australian GST purposes. Accordingly, Australian GST will not be payable in respect of amounts paid for the acquisition of the New Shares, Additional New Shares or Top-Up Shares. Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders who are registered for Australian GST to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares, Additional New Shares or Top-Up Shares.

STAMP DUTY

Eligible Retail Shareholders should not be liable for stamp duty in respect of subscribing for New Shares, Additional New Shares or Top-Up Shares under the Retail Entitlement Offer, unless they acquire, either alone or with an associated/related person, an interest of 90% or more in Elixinol. Under current stamp duty legislation, no stamp duty would ordinarily be payable by investors on any subsequent transfer of Shares.

6. Important Information

This Retail Entitlement Offer Booklet (including the ASX Offer Announcements and enclosed personalised Entitlement and Acceptance Form) (**Information**) have been prepared by Elixinol. This Information is dated Tuesday, 12 May 2020 (other than the Investor Presentation and the ASX Announcements included in Section 4 of this Retail Entitlement Offer Booklet). This Information remains subject to change without notice and Elixinol is not responsible for updating this Information.

There may be additional announcements made by Elixinol after the date of this Retail Entitlement Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up all or part of your Entitlement, take up all of your Entitlement and apply for Additional New Shares, or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Elixinol (by visiting the ASX website at www.asx.com.au) before submitting your application to take up your Entitlement.

No party other than Elixinol has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

For the avoidance of doubt, to the maximum extent permitted by law, Elixinol excludes and disclaims all liability (including, without limitation, liability for negligence) for any direct, indirect, consequential, or contingent loss or damage howsoever and whenever arising from the use of any of the Information or participation in the Retail Entitlement Offer.

This Information is important and requires your immediate attention.

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the key risk factors outlined in the “Key Risks” section of the Investor Presentation dated Tuesday, 5 May 2020 (a copy of which is included in Section 4 this Retail Entitlement Offer Booklet) any of which could affect the operating and financial performance of Elixinol or the value of an investment in Elixinol.

You should consult your stockbroker, solicitor, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

6.1 Eligible Retail Shareholders

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on Thursday, 7 May 2020;
- have a registered address on the Elixinol share register in Australia or New Zealand as at 7.00pm (AEST) on the Record Date, or are a Shareholder not in Australia or New Zealand that Elixinol has otherwise determined is eligible to participate;
- are not in the United States, and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

If you are a Retail Shareholder who does not satisfy each of the criteria listed above, you are an “**Ineligible Retail Shareholder**”. Elixinol reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Elixinol may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that has a registered address in Australia and New Zealand and was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

Elixinol has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Elixinol may (in its absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law.

6.2 Ranking of New Shares and Additional New Shares

New Shares and Additional New Shares issued under the Entitlement Offer will rank equally with existing Shares. New Shares and Additional New Shares will be entitled to any dividends on ordinary shares with a record date after the date of issue. The rights and liabilities attaching to the New Shares and Additional New Shares are set out in Elixinol's constitution, a copy of which is available at www.asx.com.au.

6.3 Issue, quotation and trading

Elixinol will apply to the ASX for official quotation of the New Shares and the Additional New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares or the Additional New Shares, Elixinol will repay all Application Monies (without interest).

Elixinol disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares or Additional New Shares before the New Shares or Additional New Shares are listed on the Official List of ASX or before receiving their confirmation of holding, whether on the basis of confirmation of the allocation provided by Elixinol, the Share Registry or the Underwriter.

Subject to approval being granted, it is expected that normal trading of New Shares and Additional New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (AEST) on Wednesday, 3 June 2020. It is expected that the issue of New Shares and Additional New Shares under the Entitlement Offer will take place on Tuesday, 2 June 2020. Application Monies will be held by Elixinol on trust for Applicants until the New Shares and Additional New Shares are issued. No interest will be paid on Application Monies.

6.4 Capital structure

After the issue of New Shares and Additional New Shares under the Entitlement Offer, the capital structure of Elixinol is expected to be as follows (subject to rounding of fractional Entitlements)²:

Shares on issue as at Record Date	137,894,112
Shares issued under the Institutional Entitlement Offer	26,712,850
Maximum number of New Shares to be issued under the Retail Entitlement Offer	28,225,044
Total Shares on issue on completion of the Retail Entitlement Offer	192,832,006

² This assumes that there is 100% take-up of entitlements under the Retail Entitlement Offer and that the Institutional Entitlement Offer completes successfully without any termination of the Offer Management Agreement.

6.5 Reconciliation, Top-Up Shares and the rights of Elixinol and the Underwriter

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. If reconciliation is required, it is possible that Elixinol may need to issue additional New Shares and/or Additional New Shares (as the case may be) (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares and/or Additional New Shares (as the case may be). The price at which these New Shares and/or Additional New Shares (as the case may be) would be issued, if required, is the same as the Offer Price.

Elixinol also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if Elixinol believes in its complete discretion that their Entitlement claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Elixinol may, in its discretion, require the relevant shareholder to transfer excess New Shares and/or Additional New Shares (as the case may be) to the Underwriter at the Offer Price per New Share and/or Additional New Shares (as the case may be). If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Elixinol in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Elixinol or the Underwriter to require any of the actions set out above.

6.6 No cooling off rights

Cooling off rights do not apply to an investment in New Shares or Additional New Shares. You cannot withdraw your Application once it has been accepted.

6.7 No Entitlements trading

Entitlements are non-renounceable and so they cannot be traded on ASX or any other exchange, nor can they be privately transferred.

6.8 Risks

The Investor Presentation details important factors and key risks that could affect the financial and operating performance of Elixinol, a copy of which is included in Section 4 of this Retail Entitlement Offer Booklet. Please refer to the "Key Risks" section of the Investor Presentation for details. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

6.9 Notice to nominees and custodians

If Elixinol believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- a) Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- b) Institutional Shareholders who were treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer;
- c) Beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- d) any Shareholder that is in the United States, including any Shareholder in the United States for whom the nominee or custodian holds Shares or acts; or
- e) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Persons acting as nominees or custodians for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States.

Elixinol is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable foreign laws. Elixinol is not able to advise on foreign laws.

Nominees and custodians may not distribute any part of this Retail Entitlement Offer Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Retail Entitlement Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the "International Selling Restrictions" section of the Investor Presentation included in this Retail Entitlement Offer Booklet.

6.10 Continuous Disclosure

Elixinol is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Elixinol is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Elixinol has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of Elixinol shares. That information is available to the public from ASX at www.asx.com.au.

6.11 Not investment advice

This Information is not a prospectus or a product disclosure statement under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Elixinol is not licensed to provide financial product advice in respect of the New Shares or Additional New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Elixinol's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au.

Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should also consider whether you need to seek appropriate advice, including financial, legal and taxation advice appropriate to your jurisdiction. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, solicitor, accountant or other independent professional adviser or call the Elixinol Shareholder Information Line on 1300 070 709 (inside Australia) or +61 3 9415 4318 (outside Australia) at any time between 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

6.12 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

6.13 Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of the Information during the period of the Retail Entitlement Offer on the Offer website at www.exloffer.com.au or by calling the Elixinol Shareholder Information Line, or from ASX at www.asx.com.au. Eligible Retail Shareholders who access the electronic version of the Information should ensure that they download and read the entire Information. The electronic version of the Information on the Elixinol or ASX website will not include a personalised Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be obtained during the period of the Retail Entitlement Offer by calling the Elixinol Shareholder Information Line on 1300 070 709 (inside Australia) or +61 3 9415 4318 (outside Australia) at any time between 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

6.14 Governing law

The Information, the Retail Entitlement Offer and the contracts formed on acceptance of Retail Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares or Additional New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6.15 Foreign jurisdictions

The Information has been prepared to comply with the requirements of the securities laws of Australia. Elixinol is not able to advise on the laws of any other foreign jurisdictions.

To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws.

The Information does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares or the Additional New Shares, or otherwise permit the public offering of the New Shares or Additional New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of the Information (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of the Information, you should observe such restrictions and should seek your own advice on such restrictions. See the foreign selling restrictions set out in the "International Selling Restrictions" section of the Investor Presentation included in this Retail Entitlement Offer Booklet for more information on selling restrictions.

6.16 Partial Underwriting of the Entitlement Offer

Elixinol has entered into an Offer Management Agreement with Bell Potter Securities Limited (the **Underwriter**) who has agreed to underwrite 50% of the Retail Entitlement Offer and 100% of the Institutional Entitlement Offer on the terms and conditions set out in the agreement (**Offer Management Agreement**). This means that, subject to the terms and conditions of the Offer Management Agreement, a minimum of approximately A\$8.2 million of proceeds will be raised under the Entitlement Offer.

As is customary with these types of arrangements:

- Elixinol has agreed, subject to certain carve-outs, to indemnify the Underwriter, its affiliates and related bodies corporate, and each of their directors, officers, employees, agents and advisers against any losses they may suffer or incur in connection with the Entitlement Offer;
- Elixinol and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;
- the Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Offer Management Agreement and be released from its obligations under it on the occurrence of certain events.

The Underwriter will be paid a fee of 6% of the Institutional Entitlement Offer gross proceeds and 6% of the Retail Entitlement Offer gross proceedings, split between an underwriting fee and management fee in such proportions as the Company and the Underwriter agree. The Underwriter will also be reimbursed for certain expenses.

See the "Key risks" section of the Investor Presentation, a copy of which is included in Section 4 of this Retail Entitlement Offer Booklet, for more information regarding the Offer Management Agreement, including the termination events under the Offer Management Agreement.

6.17 Privacy

As a shareholder, Elixinol and the Share Registry have already collected certain personal information from you. If you apply for New Shares or Additional New Shares, Elixinol and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares or Additional New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Elixinol and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares or Additional New Shares, the Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handing of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Elixinol or the Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Elixinol through the Share Registry as follows:

Elixinol Global Limited
C/-Computershare Investor Services
GPO Box 2975
Melbourne Vic
1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)

6.18 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Elixinol, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Elixinol, or any other person, warrants or guarantees the future performance of Elixinol or any return on any investment made pursuant to this Information or its content.

6.19 Withdrawal of the Entitlement Offer

Elixinol reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Elixinol will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Elixinol may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Elixinol will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Elixinol.

7. Definitions

\$ or A\$ or dollars means Australian dollars.

Additional New Shares means New Shares applied for by Eligible Retail Shareholders in excess of their Entitlement.

AEST means Australian Eastern Standard Time.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable in Australian dollars for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and the securities exchange operated by it.

ASX Listing Rules means the listing rules of ASX (including the ASX Settlement Operating Rules, the ASX Operating Rules and the ASX Clear Operating Rules) as waived or modified by ASX in respect of Elixinol or the Offer in any particular case.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Retail Shareholders has the meaning given in Section 6.1 of this Retail Entitlement Offer Booklet.

Eligible Institutional Shareholder means a person who:

- a) was identified as an Institutional Shareholder by Elixinol and/or the Underwriter in their absolute discretion;
- b) has a registered address in Australia, New Zealand or certain other jurisdictions disclosed in the Investor Presentation;
- c) eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and
- d) who has successfully received an offer under the Institutional Entitlement Offer.

Elixinol means Elixinol Global Limited (ABN 20 007 617 969).

Elixinol Shareholder Information Line means 1300 070 709 (inside Australia) or +61 3 9415 4318 (outside Australia).

Entitlement means the right to subscribe for 1 New Share for every 2.51 existing Shares held by eligible Shareholders on the Record Date at an Offer Price of A\$0.20 per New Share, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form that will accompany this Retail Entitlement Offer Booklet when it is dispatched to Eligible Retail Shareholders.

Entitlement Offer or Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Excess Amount means any monies in excess of the full amount of Application Monies for an Eligible Retail Shareholder's whole Entitlement.

How to Apply has the meaning given in Section 2 of this Retail Entitlement Offer Booklet.

Ineligible Institutional Shareholders means a Shareholder who is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a Shareholder (or beneficial holder of Shares) other than an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that Elixinol and the Underwriter agree to whom ASX Listing Rule 7.7.1(a) applies, provided that any institutional Shareholder that is in the United States is an Ineligible Institutional Shareholder, and for the avoidance of doubt includes any Shareholder that is in the United States or is acting for the account or benefit of a person in the United States (including a nominee or custodian to the extent such person holds Elixinol ordinary shares for the account or benefit of such person in the United States).

Information has the meaning given in Section 6 of this Retail Entitlement Offer Booklet.

Institutional Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of Entitlement Offer Securities to Eligible Institutional Shareholders.

Investor Presentation means the presentation to investors released to the ASX on Tuesday, 5 May 2020, incorporated in Section 4 of this Retail Entitlement Offer Booklet.

New Shares means Shares to be allotted and issued under the Entitlement Offer.

Offer Management Agreement means the offer management agreement dated 4 May 2020 between Elixinol and the Underwriter, as amended from time to time.

Offer Price means A\$0.20 per New Share.

Record Date means 7.00pm (AEST) on Thursday, 7 May 2020.

Retail Entitlement Offer means the accelerated non-renounceable pro-rata entitlement offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 2.51 Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of \$0.20 per New Share pursuant to this Retail Entitlement Offer Booklet.

Retail Entitlement Offer Booklet means this booklet.

Share Registry means the Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Share means a fully paid ordinary share in the capital of Elixinol.

Shareholder means a holder of Shares.

TERP means the theoretical ex-rights prices at which Elixinol shares should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Elixinol's shares trade at that time will depend on many factors and may not be equal to TERP. TERP has been calculated on the assumption that there is 100% take-up under the Retail Entitlement Offer.

Timetable means the indicative table set out in the "Key dates" section of this Retail Entitlement Offer Booklet.

Top-Up Shares means the issue of additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares.

Underwriter means Bell Potter Securities Limited (ABN 25 006 390 772)

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

8. Corporate Directory

ELIXINOL REGISTERED OFFICE AND HEAD OFFICE

PO Box 20547
World Square
Sydney NSW 2002

ELIXINOL WEBSITE

Corporate information and the Elixinol Annual Report can be found via the Company's website at www.elixinolglobal.com

ELIXINOL OFFER WEBSITE

<http://www.exloffer.com.au/>

ELIXINOL SHAREHOLDER INFORMATION LINE

Australia: 1300 070 709
International: +61 3 9415 4318
Hours are 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period

UNDERWRITER

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
Sydney NSW 2000

SHARE REGISTRY

Computershare Investor Services Pty Limited
452 Johnson Street
Abbotsford VIC 3067
Australia: 1300 850 505
International: +61 3 9415 4000
Website: www.computershare.com.au

LEGAL ADVISER

Gilbert + Tobin
Level 35, Tower 2, International Towers Sydney
200 Barangaroo Avenue
Sydney NSW 2000



Elixinol Global Limited
ACN 621 479 794

For all enquiries:

Phone:

(within Australia) 1300 070 709
(outside Australia) +61 3 9415 4318

Web:

www.investorcentre.com/contact

Make your payment:



See overleaf for details of the Offer and how to make your payment

Retail Entitlement Offer – Entitlement and Acceptance Form

Your payment must be received by 5:00pm (AEST) Thursday, 21 May 2020

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares under the Top Up Facility, by entering the dollar value of the Additional New Shares you wish to apply for.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Retail Entitlement Offer Booklet dated 12 May 2020.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with **BPAY** payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Elixinol Global Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Entitlement and Acceptance Form for Entitlements and Additional New Shares (if any)

STEP 1

Registration Name & Offer Details

Registration Name:

 For your security keep your SRN/
HIN confidential.

Entitlement No:

Offer Details:

Existing shares entitled to participate as at
7 May 2020:

Entitlement to New Shares
on a 1 for 2.51 basis:

Amount payable on full acceptance
at \$0.20 per New Share:

STEP 2

Make Your Payment by 5:00pm (AEST) Thursday, 21 May 2020

To avoid the possibility of postal delay we request you make your payment via **BPAY**, using the payments details below either online or via phone with your bank.

BPAY



Biller Code: 316901
Ref No:

Contact your financial institution to make your
payment from your cheque or savings account.

Mail



Make your cheque, bank draft or money order payable to "**Elixinol Global Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor Elixinol Global Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

MAIL

Neither CIS nor Elixinol Global Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuers administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

[Detach here](#)

Elixinol Global Limited Acceptance Payment Details

Entitlement taken up:

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Value of Additional New
Shares applied for (if any):

A\$

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Amount enclosed at \$0.20 per
New Share:

A\$

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Entitlement No:

BPAY is the most efficient form of payment, if you wish to make your payment via **BPAY** utilise the **BPAY** details above.

Cheque & Contact Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

Contact Name _____

Daytime Telephone _____



ASX Announcement 11 May 2020

Class Action Dismissed

Elixinol Global Limited (**Elixinol** or the **Company**) (**ASX:EXL; OTC:ELLXF**) wishes to provide a further update to the announcement on 5 December 2019 regarding Elixinol, LLC, a Colorado Limited Liability Company (**EXU**).

The Company is pleased to announce that the plaintiffs in the class-action suit filed against EXU in the United States District Court for the Northern District of California, filed a Notice of Voluntary Dismissal (**Notice**) at approximately 4.00pm on Friday, 8 May 2020 [US Pacific standard time]. The Notice was filed without prejudice and each party is to bear its own costs.

The withdrawal of the class-action suit is vindication of the Company's position that its products are accurately labeled and that the plaintiffs' misleading conduct claims were without merit.

This document was authorised to be given to the ASX by the Board of the Company.

For more information please contact:

Teresa Cleary
General Counsel & Company Secretary
teresa.cleary@elixinolglobal.com

About Elixinol Global

Elixinol Global Limited (ASX:EXL; OTC:ELLXF) is a global leader in the hemp derived CBD industry, innovating, manufacturing and selling hemp derived CBD products. The Company's simplified business model is focusing on:

- In the Americas, innovating, manufacturing and selling high quality Elixinol branded hemp derived CBD products based in Colorado, USA
- In Europe & UK, educating and selling high quality Elixinol branded and co-branded hemp derived CBD products based in Amsterdam, The Netherlands
- In Australia, providing stronger unified planning and support across the group to enable the various regional offices to focus on operational strategy and execution through its Global Executive Office based in Sydney, Australia
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com