



Elixinol Global Limited

9th Annual Australian Microcap
Investment Conference – October 2018

ASX: EXL; OTCQX: ELLXF | www.elixinolglobal.com

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Our products



Investment highlights

- Elixinol Global (ASX: EXL) listed in January 2018 with strong institutional support
- EXL is a diversified business with two established consumer product brands in fast growing markets:
 - Elixinol – US based seller of cannabidiol-based dietary supplements (FMCG products with significant consumer following.) Elixinol exported into 40 countries
 - Hemp Foods Australia – Australia's largest supplier of hemp-derived foods (seeds, flours, oils, protein powder for direct to consumer and food manufacturing channels)
- Pharmaceutical business under development which can leverage expertise and knowledge from Elixinol. Progressing licence application with Australian Office of Drug Control for cultivation of medicinal cannabis
- Positioned internationally within significant and rapidly evolving markets of hemp-derived CBD, hemp-derived foods and medicinal cannabis – key investment themes and areas of legislative change and consumer interest
- **Maiden profit of \$0.6m and record revenues of \$14.9m reported in 1H FY2018**
- Raised \$40m in October 2018 to accelerate international growth
- Seeking global market leading position through a mix of organic and acquisitive growth: scaling up to take strategic advantage of emerging markets

Board and management team and market data

A senior team, experienced in complex regulatory operating environments

Board and management team



Andrew Duff | Non-Executive Chairman

Experienced ASX listed company director. Ex CFO of ASX100 company, Primary Healthcare (ASX: PRY), current Chairman of Cornerstone Health



Paul Benhaim | CEO / Executive Director

Over 25 years' experience in the hemp industry and is the co-founder of Elixinol USA, Elixinol Pty Ltd and Hemp Foods Australia



Linda McLeod | Managing Director

Over 30 years in business advisory, corporate finance, private equity and venture capital. Exec in Hemp Foods Australia and Elixinol Pty Ltd



Stratos Karousos | Non-Executive Director

Lawyer with extensive cross-sector experience in M&A, ECM, corporate restructuring, PE transactions, JVs, & corporate governance



Ron Dufficy | CFO and Company Secretary

Senior finance executive with significant experience growing highly regulated businesses in global markets. Formerly with Aristocrat (ASX: ALL) and CSR Ltd (ASX: CSR)



Gabriel Ettenson | President of Elixinol USA

Co-founder and head of Elixinol USA team. Active member of several hemp lobbying groups.

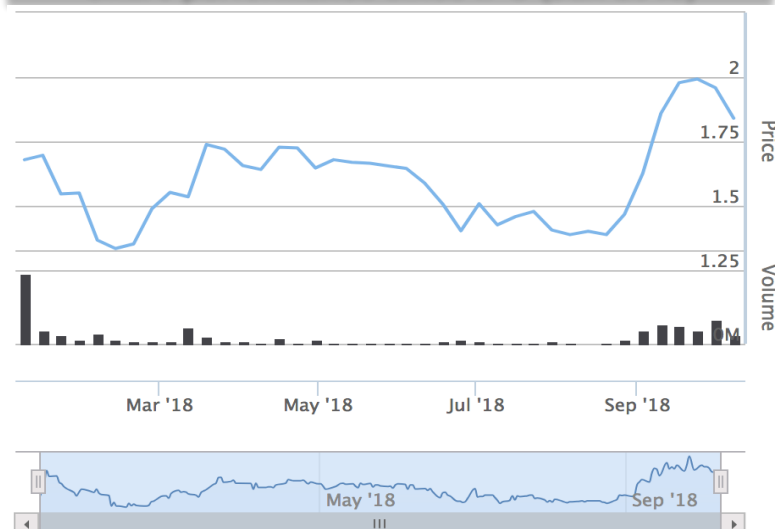
Substantial holders⁴

Raw With Life Pty Ltd (as trustee for Benhaim Trading Trust)	43.86%
D&G Health LLC	10.21%

Elixinol Global market data (ASX: EXL; OTCQX: ELLXF)

Share price ¹	A\$1.825
Market capitalisation ¹	A\$227.3m
Shares on issue ²	124,550,162
Escrowed shares ² : (of which shares on issue)	52,559 (to 27 Dec 2018) 77,870,572 (to 8 Jan 2020)
Cash at bank:	A\$14.2m ³ + A\$40m raised Oct 2018
Debt ³ :	A\$0.25m

Share performance since IPO (Jan 2018)



Diversified portfolio

1H FY2018 revenue by business unit



Consumer Products

Dietary Supplements



Revenue \$12.54m (84%)



30 products*:

- Tinctures
- Capsules
- Liposome
- Hemp oil
- Topical products

Hemp Foods



Revenue \$2.34m (16%)



34 products*:

- Hemp seeds
- Hemp flour
- Hemp protein
- Hemp oil
- SATIVA Skincare

Pharmaceutical

Medicinal Cannabis



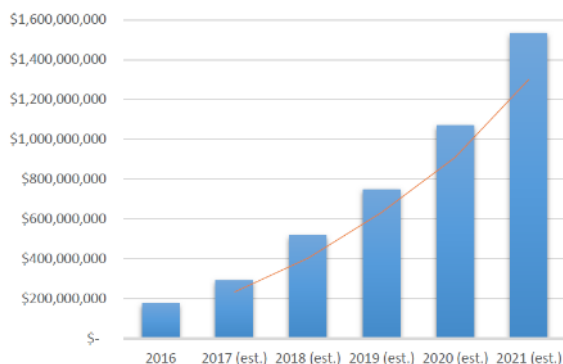
Seeking licence and permit

Submitted licence applications for cultivation and manufacture to Australian Office of Drug Control (ODC) in 1H FY2018

Diversified across three rapidly growing markets

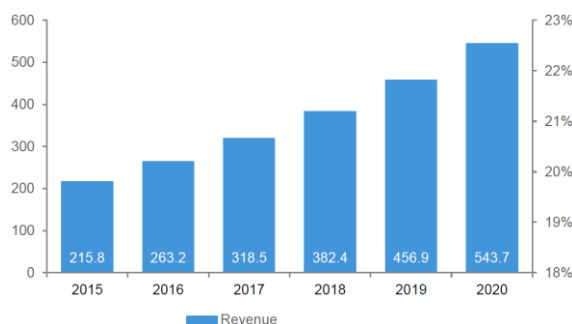
Businesses positioned within major growth themes

Hemp derived CBD – US market size and projections



- Hemp derived CBD sales forecast to grow from US\$174m in 2016 to \$1.6b in 2021*
- Market growing at **55% CAGR** as consumers understand the benefits of CBD.

Hemp derived foods – global market size and projections*



- Hemp derived foods sales forecast to grow from US \$215.8m in 2015 to \$543.7m in 2020
- The global hemp-based foods market is expected to post a **CAGR of 20%** during the forecast period
- Demand for APAC countries for hemp-derived foods is expected to grow due to consumer demand for non-meat protein sources

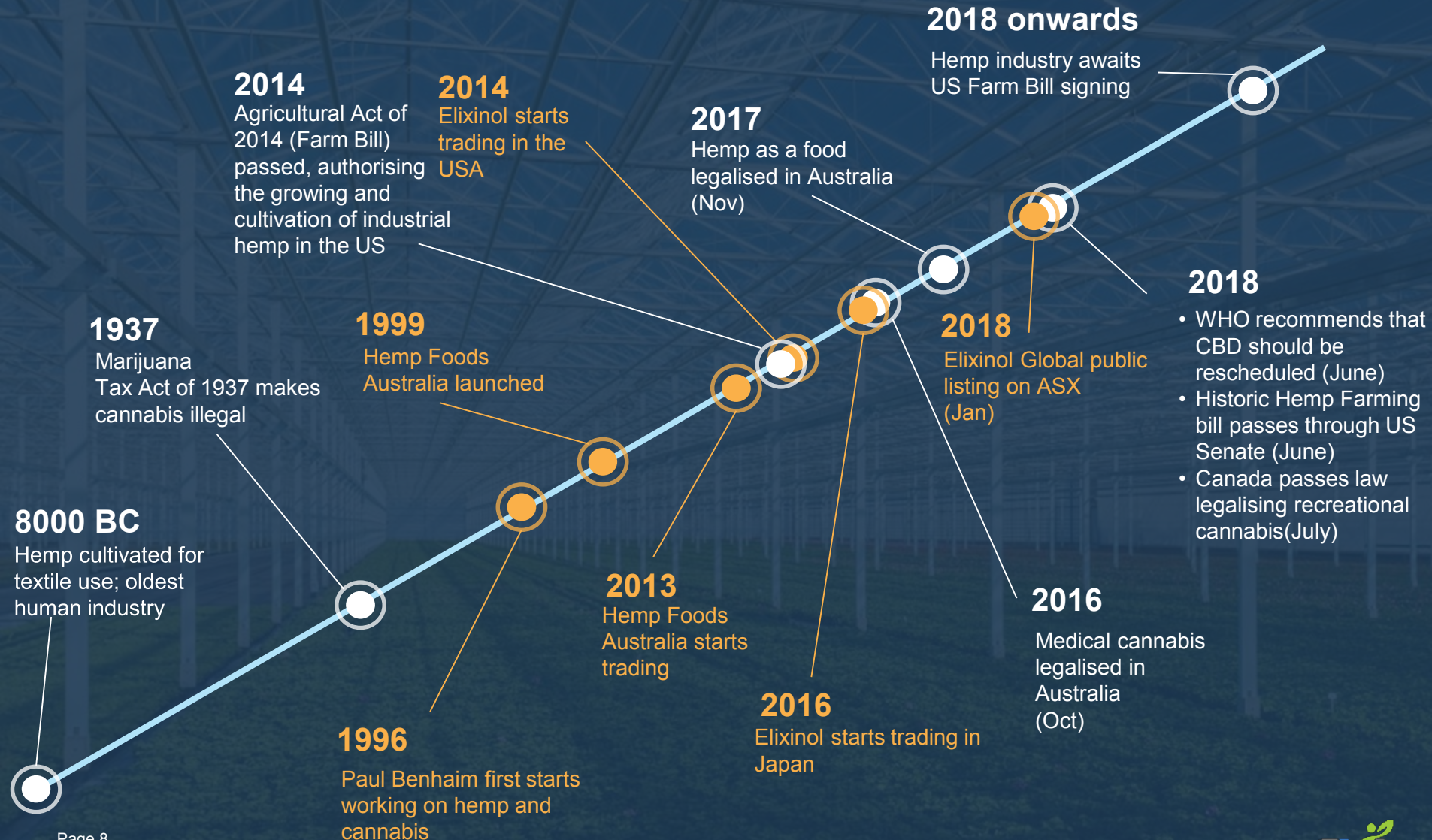
Medicinal cannabis – Australian market projections

Developing multi-billion market with domestic and international opportunities

- Medicinal cannabis (MC) is a nascent industry in Australia
- EXL's strategy is to develop MC products to service Australian demand, and to access export opportunities

Hemp and cannabis – rapidly evolving landscape

A tide of change is sweeping through hemp and cannabis industries, led by global governments



Key financial highlights for 1H FY2018

1

Group results 1H FY2018

Revenue	1H FY2018 \$14.9m vs 1H FY2017 \$7.1m, 110% growth
Underlying EBITDA	1H FY2018 \$0.8m vs 1H FY2017 (\$0.1)m loss
Underlying NPAT	1H FY2018 \$0.6m vs 1H FY2017 (\$0.3)m loss

1H FY2018 result delivers maiden profit for Elixinol Global

2

Strong segment performance from Elixinol USA

Revenue	1H FY2018 \$12.5m vs 1H FY2017 \$5.7m, 119% growth
Gross profit margin	1H FY2018 59.6% vs 1H FY2017 63.7% driven by growth in lower margin private label products
EBITDA	1H FY2018 \$2.2m vs 1H FY2017 \$1.1m, 100% growth
EBITDA margin	1H FY2018 17.2% vs 1H FY2017 19.9% investing for expected growth

3

Key milestones 1H FY2018

Northern Colorado High Plains Producers (NCHPP) joint venture

Entered joint venture with Kersey Ag Company LLC to supply and produce high-cannabidiol (CBD) hemp

Expansion of Elixinol USA production facility

Expanding USA facilities to 20,700 sq. ft. to increase production capacity to facilitate expected growth:

- 5,000kg of ethanol-extracted hemp CBD and 3,125kg of CO2-extracted hemp CBD
- will enable production of 24,000 bottles per day
- purchased adjacent land to provide an additional 20,000 sq. ft. expansion potential

US Farm Bill

2018 Farm Bill (includes Farming Act of 2018 legislation, S.2667) progressed through Senate. Presidential sign-off expected before the end of 2018, which would then enable:

- industrial hemp to be permanently removed from the purview of the Controlled Substances Act, allowing it to be regulated as an agricultural crop
- ability to advertise hemp derived products, access finance, banking and insurance services, provide better access to water rights

Elixinol Global 1H FY2018 growth initiatives

Disciplined approach to drive future growth

Elixinol USA *hemp-derived CBD dietary supplements*

- Investment in farming and production capabilities to facilitate future growth
- Key sales hires focused on retail distribution which is higher margin
- Continued focus on core products and expanding the product range
- Established global distribution platform servicing 40 countries
- Expansion of operations in Europe and Japan
- Optimise existing distribution agreements and alliances
- Improved Ecommerce platform and investment in marketing
- Continue successful influencer outreach programs

Hemp Foods Australia *hemp-derived foods*

- Key sales hires to target core products and new product launches
- New product development in process with first products expected to be launched in 2H FY2018 with a focus on mainstream FMCG channels
- Australian winter crops planted
- SATIVA skincare products launched via health stores and online channels

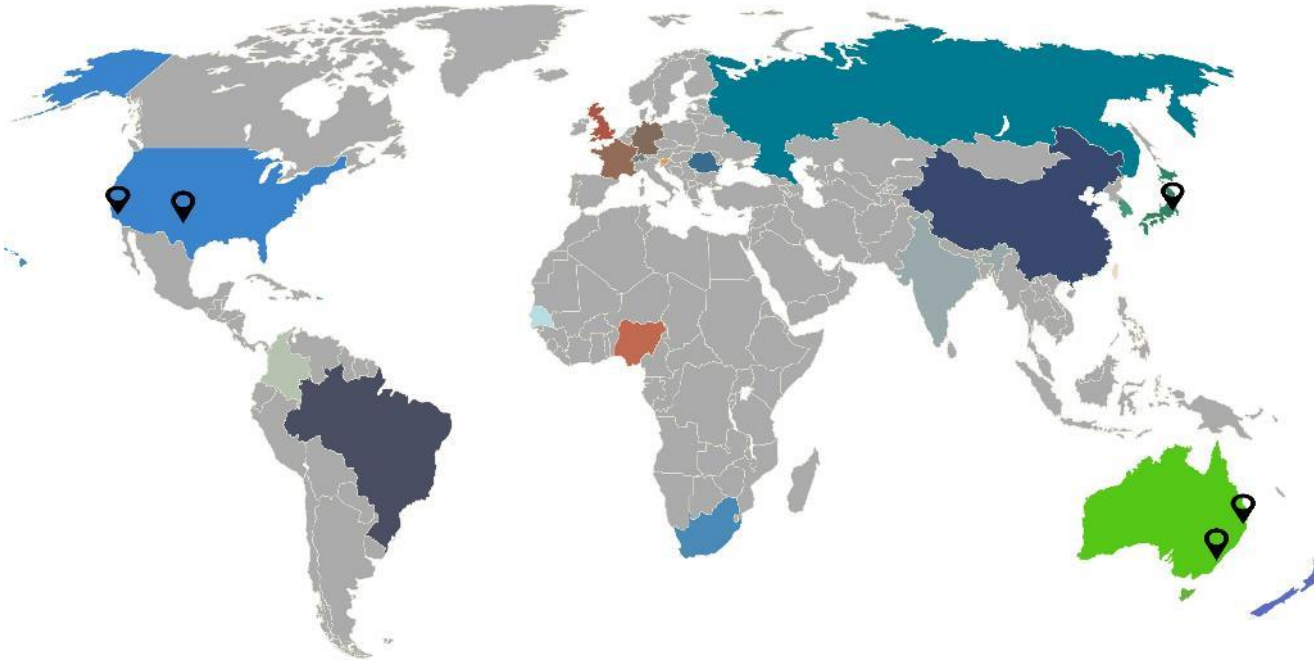
Elixinol Australia *medicinal cannabis*

- Progressing license applications with the Office of Drug Control (ODC)
- Advanced plans prepared for build-out of integrated cultivation and manufacture facility
- Finalising the development of medical education program for proprietary products

Elixinol Global international footprint

An established platform that can be leveraged for consumer products

Global platform for growth



- Avenues to market established in 40 countries with mix of direct sales and via distribution partners
- Facilities (pins) in:
 - Sydney and Bangalow, Australia
 - Colorado and California, USA
 - Tokyo, Japan
- Expansion plans underway, supported by marketing strategies in:
 - Europe
 - Japan*

Elixinol USA: positioned for future growth

Increased capacity and product development to drive earnings and margin improvement

Doubling our production capability

- Elixinol USA is relocating to a new facility in Colorado, USA, designed to be GMP certified and will more than double the usable capacity for processing, manufacturing and fulfilment operations:
 - **existing:** 8,700 square foot office, lab and warehouse
 - **near term expansion:** an additional 12,000 square foot facility to be commissioned late 2018
 - **medium term expansion:** adjacent land with plans to build an additional 20,000 square foot facility
- New production capabilities to be commissioned late FY2018:
 - 5,000 kg of ethanol extracted hemp CBD extract
 - 3,125 kg of CO2 extracted hemp CBD extract
 - bottling capacity increased to 24,000 bottles per day

Product development

- Existing products: tinctures, capsules, liposome, hemp oil, topical products
- Medium term plans: skin care, pet markets
- New product development in process

Customer channels

- Key sales hires to focus on:
 - national retailers
 - direct to consumers
 - distributors
 - medical and allied health professionals

Cultivation

- Entered a joint venture arrangement with Kersey Ag Company LLC to supply and produce high-cannabidiol (CBD) hemp (NCHPP JV):
 - 700 acres of irrigated farmland immediately available
 - 173 acres of high CBD hemp planted in 1H FY2018

Elixinol USA: focus for next 12 months

Focus on strong growth in home markets, new product development and marketing

- Grow market share in US; deliver growth in attractive markets (Europe, Asia)
- Scale teams to support expanded business
- Deploy and optimize new US-based plant and equipment
- Expand range through Elixinol branded products and reselling external ranges with cultural fit
- Optimise existing distribution agreements and alliances
- Ecommerce platform scaled up, alongside investment in innovative above the line advertising campaigns (e.g. billboards, TV, radio) and strong focus on online / SEO
- Increase use of affiliate marketing channels – work with US influencers to continue to market CBD product range to sport, lifestyle and wellbeing segments
- Key sales hires to focus on retail distribution enabling margin improvement



Hemp Foods Australia: industry leader

Focus on growth of core products and new product offerings

Products and new product development

- Core product range includes hemp oils, flours, seeds, protein
 - currently sold via e-commerce and health food shops
- Hemp Foods Australia supplying to major FMCG brands including Grill'd Healthy Burger Chain, Emma and Toms and Alpine Breads
- SATIVA Skincare products launched in 1H FY2018
 - includes a cleanser, serum, moisturiser, deodorant, hand and body wash, shampoo, conditioner, lip balm and hand cream
 - provides new distribution opportunities for Hemp Foods Australia products
- New product development in process with first products expected to be launched in 2H FY2018 new branding and packaging expected to be launched in FY2019

Cultivation and supply

- First harvest of hemp in Victoria completed during 1H FY2018, following legalisation enabling sale of hemp derived foods in late 2017
- Lower yields than expected; as farming knowledge builds
- Cultivating growing seed in Queensland in 2018 for future growth
- Importation of raw organic hemp seeds to run in parallel as domestic production ramps up

Customer channels

- Sales and marketing teams expanded to focus on mainstream FMCG distribution channels with existing and new products

Hemp Foods Australia: focus for next 12 months

Strong growth in Australia, driving raw and finished product sales via multi-channel approach

- Grow Australian market share and secure top 1 position for hemp food branded products
- Select Hemp Foods Australia owned brands to be marketed by Elixinol in USA and other countries
- Grow range – first 2 finished products expected to be launched by end of 2H FY2018
- Optimise existing distribution agreements, push into mainstream channels with branded products
- Continue to push into previously untouched channels via SATIVA skincare range
- Appoint third party sales force to target new line launches
- Strong marketing plan - including mix of above the line and below the line, including growth in brand ambassadors and influencers
- Focus on higher margin channels in branded FMCG range



Elixinol Australia (medicinal cannabis)

Advanced development plans are prepared

Awaiting licencing

- Strategy to enter Australian medicinal cannabis market and develop export capability
- Submitted licence applications for cultivation and manufacture to the Office of Drug Control (ODC) in 1H FY2018
- Progressing licence application with ODC (s14J additional information requested for Medical Cannabis Licence)

Advanced development plans in place

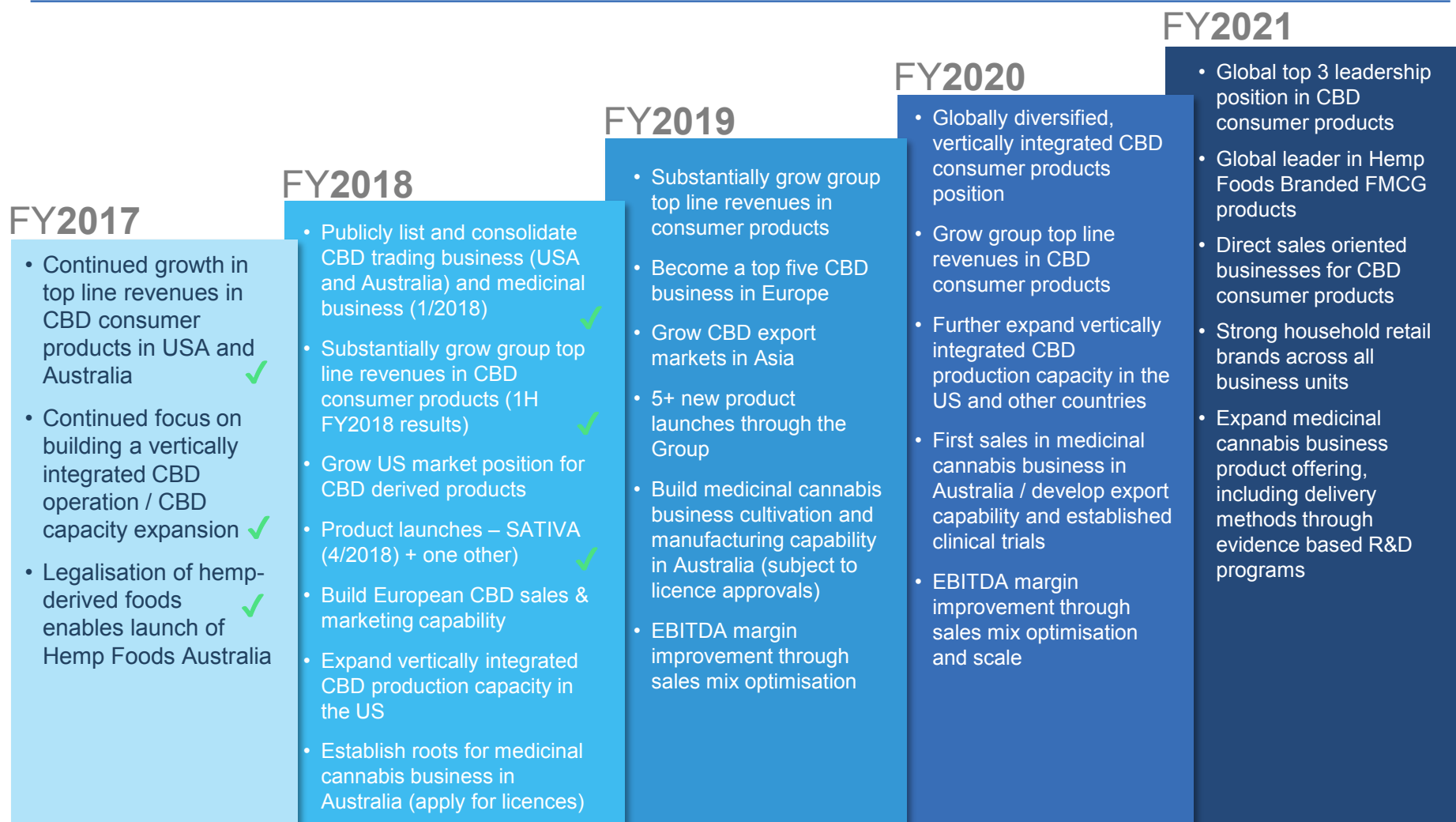
- Advanced development plans are prepared for the roll out for medicinal cannabis products:
 - completion of site selection
 - development of operational plan
 - plans developed for cultivation and pharmaceutical grade manufacturing facility
 - development of proprietary CBD/THC formulations and
 - distribution strategy

Current activities

- Developing a clinical trial strategy including early stage, pre-clinical work
- Planning medical outreach program

Strategic outlook: delivering on our corporate strategy

Capturing substantial global growth opportunity in hemp-CBD and medicinal cannabis



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