



ELIXINOL GLOBAL LIMITED

ASX:EXL | OTCQB:ELLXF

Annual General Meeting

May 2021



Let Nature Shine

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Agenda

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Introduction

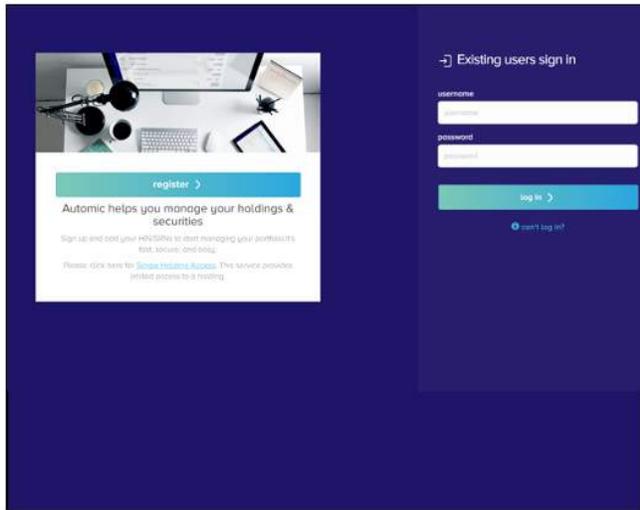


Online attendees

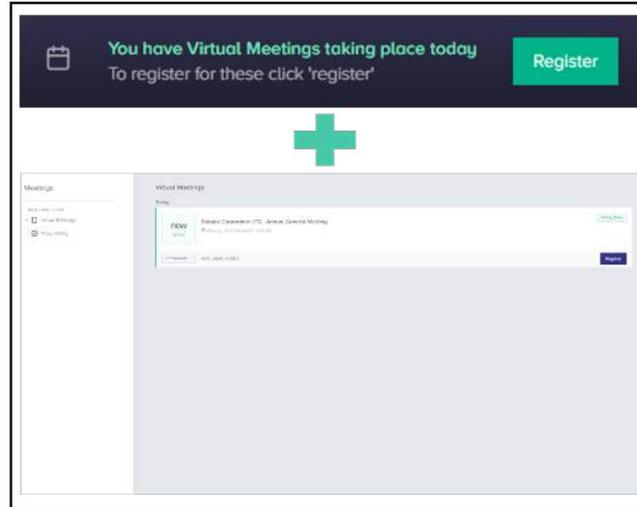
Registration and voting process

1. Log in or register at:

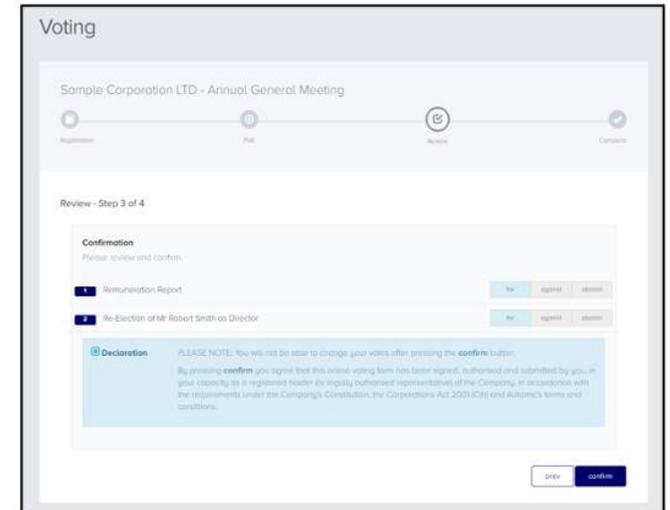
<https://investor.automic.com.au/#/home>



2. Click "register" in the banner at the bottom of your screen, then select "register" for this meeting



3. Record your vote. Once you confirm it is lodged and final



Chair's address



Helen Wiseman



CEO update



Oliver Horn



Elixinol CBD



elixinolSkin CBD



Hemp Foods Australia



Our Vision

Building a global, natural health and wellness consumer products business.

Our Mission

Making a positive contribution to people's health, wellness and the planet through the power of hemp and natural products.



Quality & transparency

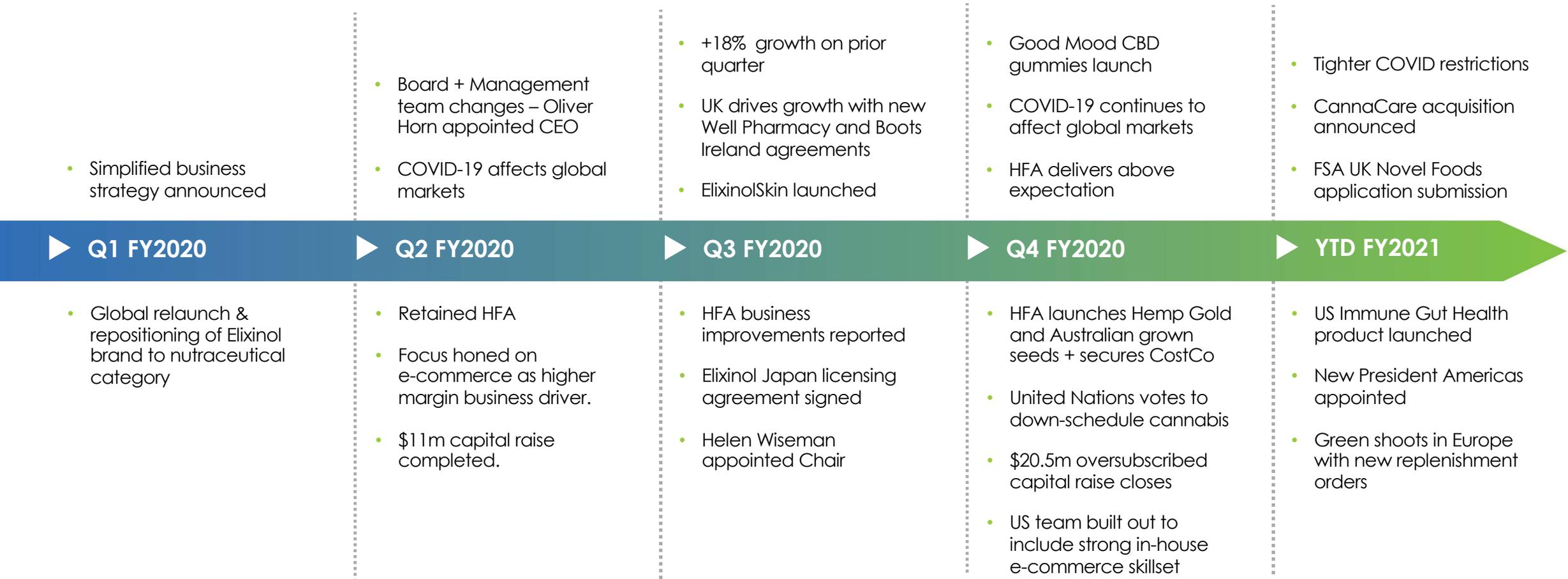


Heritage



Compliance focus

Our year of transformation in review



Elixinol Wellness

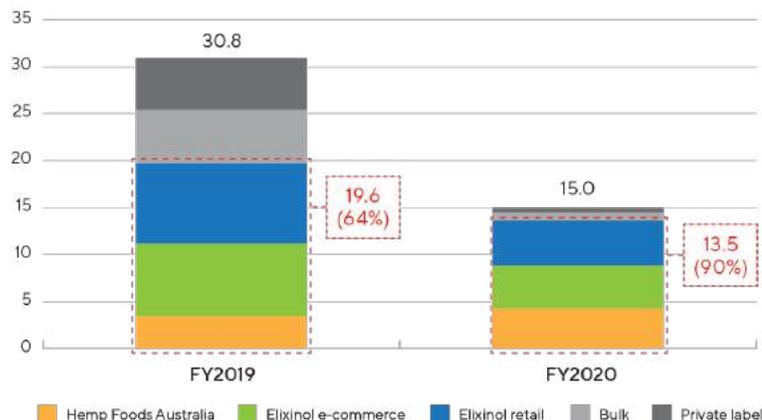
We've been a wellness company all along. Rebranding ourselves to Elixinol Wellness is a natural yet symbolic step in our journey of creating a global wellness consumer products business that makes a positive contribution to people's health, wellness and the planet.



FY2020 financial summary

Well funded, reduced cost base and refocused on building a profitable consumer goods business.

Revenue by Channel
A\$ million, 31 December year end



Revenue by channel

Divested low margin business to focus on higher margin Elixinol branded products.

Driving margin improvement as business mix shifts towards branded consumer goods channels.

Annualised cost base

↓ 45%

Substantial operational and corporate cost reduction program completed in June 2020.

Well funded*

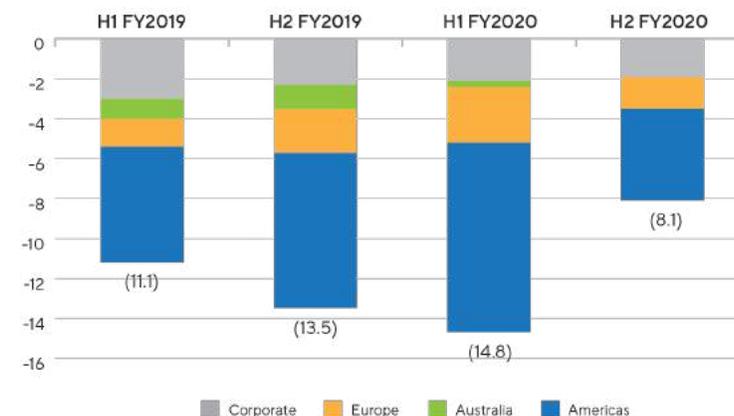
Cash reserves boosted by heavily oversubscribed capital raise provides new funding of \$20.5m.

↑ 37%

\$27.7m

Vs \$20.2m in FY2019

Adjusted EBITDA by Half
A\$ million, 31 December year end



Adjusted EBITDA**

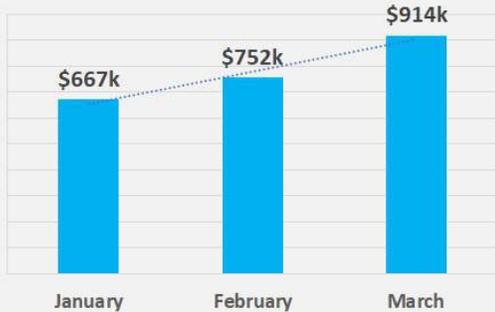
Improved significantly between H1 and H2, despite lower revenues with a reduced cost base supporting a simplified strategy.

Cost reduction program and higher margin business driving performance improvements.

Key highlights of Q1 FY2021

Whilst Q1 results have been impacted by COVID restrictions and seasonality, we've seen a gradual revenue improvement month over month, improved gross margins, further reduced cost and advanced our digital-first agenda. The gradual improvement of UK trade conditions post COVID restrictions points towards a more positive outlook. The proposed CannaCare acquisition marks a transformational advance towards our strategy to become a global consumer goods business.

Revenue by Month
A\$, 31 March 2021 quarter end



Revenue by month



Q1 FY2021 revenue of \$2.3m – 26% decline on previous quarter vs Q4 FY2020 of \$3.1m, reflecting normal seasonality, compounded by COVID-19 in key markets

CannaCare SPA Strategic EU market entry with #1 brand and outlook to improve Group revenue & profitability

Digital growth Continued e-commerce growth drives 36% of Group revenues with improving metrics across all regions



Strong funding position Cash reserves of **\$23.3m** boosted by heavily oversubscribed capital raising in Q4 FY2020



Margin accretion Group margin at highest level over recent 5qtrs



Tight cost controls Cash expenditure **down 52%** vs Q1 FY2020 down 11% vs Q4 FY2020 via substantial cost reduction program



UK: Superdrug launch & emerging from lock-downs Full range launch in UK's Superdrug and start of replenishment orders post FSA NFA validation

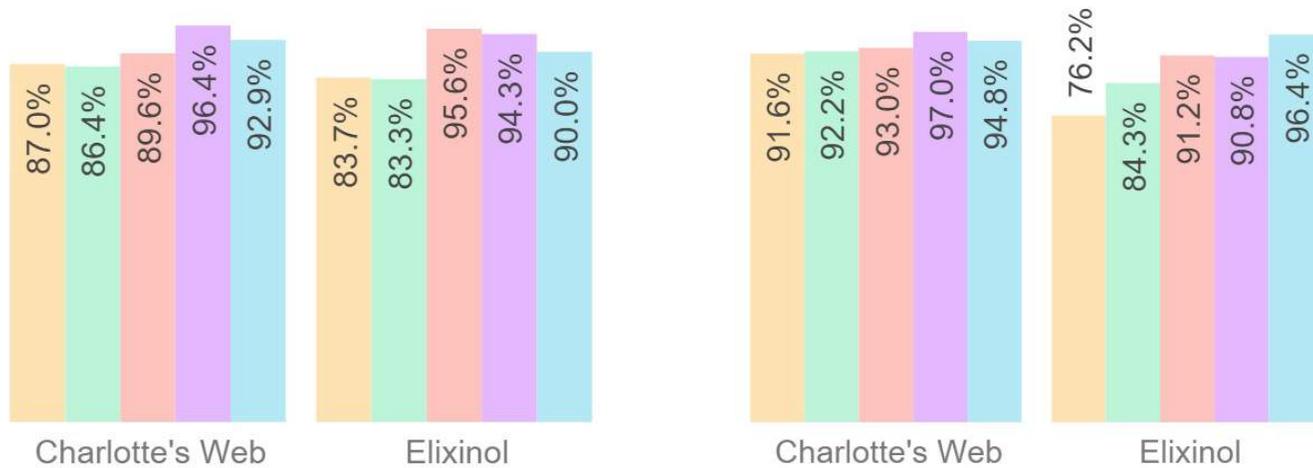
Elixinol brand health US

Elixinol is perceived as a high quality and effective brand that compares favourably against the market leader. The brand relaunch and re-positioning has materially improved the brand's brand health metrics and is seen as a highly effective and well-priced brand.

Purchase Again

Overall Satisfaction

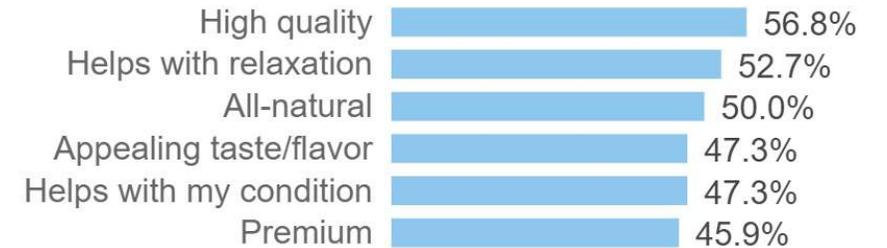
● W1 2020 ● W2 2020 ● W3 2020 ● W4 2020 ● W1 2021



Note:
(*) Source: Brightfield Group: 2021 Q1 Brand Health Report

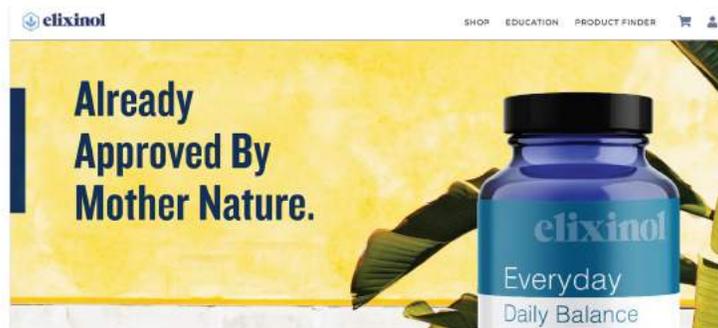
Category	%	Rank
Level of Effectiveness	91.5%	14
Packaging	90.4%	18
Price	88.7%	8

Top Brand Attributes i



Evolved brand positioning

To create stronger emotional engagement with consumers, Elixinol will launch the 'Let Nature Shine campaign' connecting our heritage of sourcing the best from nature through hemp with today's consumers' need for natural wellness solutions that replace chemical remedies.



Growth through innovation

We've developed our portfolio across all regions to improve our product offering, attract new customers and 'premiumise' our brands.

THE ONLY CBD CAPSULE WITH THE POWER OF GINFORT™



Digital strategy driving results across all regions

Investment in digital and e-commerce capability is showing positive results across all business units. Revenues from e-commerce in Q1 accounted for 40% of total Group revenues compared to 33% for Q4 2020.

▶ US Digital

Q1 Performance (% Change Jan – Mar '21)

Revenue	28%	↑
Average Order Value	14%	↑
Ecommerce Conversion Rate	50%	↑

▶ HFA Digital

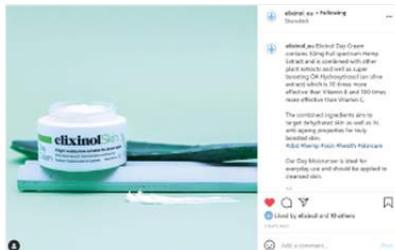
Q1 Performance (% Change Jan – Mar '21)

Revenue	23%	↑
Average Order Value	0%	↓
Ecommerce Conversion Rate	18%	↑

▶ EU Digital

Q1 Performance (% Change Jan – Mar '21)

Revenue	82%	↑
Average Order Value	9%	↑
Ecommerce Conversion Rate	25%	↑



Welcoming agents of change & new leaders



Global R&D / innovation vision:

“To implement an innovation strategy that is aligned with consumer needs, world health trends and backed with strong scientific credibility. To ensure that all our products are efficacious, innovative and competitive yet always aligned with consumer health needs and at the forefront of innovation.”

Beata Silber
Global R&D and
Innovation Director
(starts 24th May)

Experience & qualifications

- Global Director R&D / Innovation at H&H Group
- Head of Research & Science Comms at Swisse Wellness
- 9yrs as Research Scientist at Nestle, Switzerland
- PhD Neurocognition
- Post Doc. Fellowship, Marie Curie, Lyon, France



Americas vision:

“We will focus on profitable growth via new strategic partners, a world class e-commerce capability and well considered expansion into omnichannel and international markets. We will grow consumer trial and earn loyalty through optimizing our core portfolio and delight consumers with innovation.”

Rob Hasselman:
President Americas
(started 29th April)

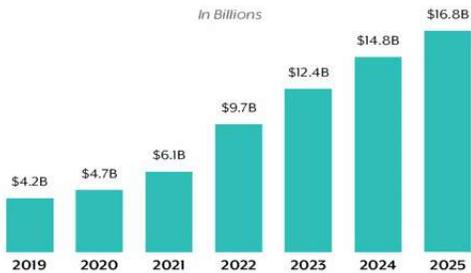
Experience & qualifications

- Chief Commercial Officer at Present Life
- Chief Marketing Officer at Ecofibre
- VP Sales & Marketing at Well Spring Pharma
- 16yrs in Sales & Marketing at Johnson & Johnson

Global CBD market outlook & regulations

The global CBD is projected for sustained long-term growth. Regulations are changing fast and in favour of CBD but will create transitional volatility. Gradual recovery from COVID restrictions and industry consolidation in mature markets will have near-term impacts but favour established players like Elixinol.

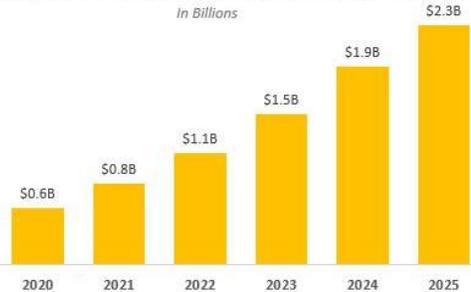
US CBD Market Size & Forecast (2019-2025)



US CBD market¹:

- US\$4.2B in 2019 expected to grow to US\$16.8B by 2025
- Forecast growth 2020-2025 CAGR of 26%

European CBD Market Size & Forecast (2020-2025)



European CBD market²:

- US\$0.6B in 2020 expected to grow to US\$2.3B by 2025
- Forecast growth 2020-2025 CAGR of 34%

Regulation differs across key markets

US regulatory framework outlook positive but timeline uncertain:

- Market remains fragmented and highly competitive, but cannabis reform continues to build momentum under Democratic government. Congress passes SAFE Banking Act on 20th April. It is widely expected that the FDA will regulate CBD as a dietary no sooner than mid to late 2021.

Europe set for highest growth with positive regulatory environment. Transition to Novel Foods will create disruption

- The **EU** Commission European Commission cleared CBD from drug status (provided that also the other conditions of Article 2 of Regulation (EC) No178/2002 are met), designated it as a food, and re-asserted EU free-trade guarantees late last year. The European Court of Justice ruled last December that CBD should not be considered a narcotic under the meaning of the 1961 UN Single Convention on narcotics. Consequently, the Novel Foods application pathway is expected to be re-opened.
- **UK** Food Standards Agency (FSA) required 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. Elixinol's EIHA application has been submitted in time for products to remain on shelf whilst the application is being processed.

Exploring fast developing Australian market:

- On 15 December 2020, Australia's Therapeutic Goods Administration (TGA) confirmed the de-scheduling of CBD from Schedule 4 to Schedule 3, thus enabling CBD products that are registered with the TGA to be widely distributed across pharmacies.

Note:

(*) Source: Brightfield Group; Navigating Seismic Shifts July 2020 US CBD Report;

(*) Source: Brightfield Group; European CBD, January 2021 Report



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Proposed acquisition of CannaCare Health to create a leading Pan-European CBD business

Announced on 15 March 2021



CannaCare overview

CannaCare presents an opportunity to take a significant share of Europe's fastest growing CBD market.

- Established 2018, based in Hamburg
- Extensive product range with 20 SKUs mainly consisting of oil, sprays and cosmetics marketed under CANOBO brand
- CANOBO #1 brand in German bricks and mortar retail with over 4,500 distribution points and an estimated market share of 42%¹ in the drugstore channel
- CANOBO first brand investing in broad reach media with several TV ads driving national consumer appeal
- Capital light model with outsourced supply chain
- Strict quality controls and independent testing regime
- New cosmetics in wide distribution and early sell-through success



Canobo TV Spot Entspannen

YouTube · Canobo CBD
18 Sept 2020



Canobo TV Spot Chillen

YouTube · Canobo CBD
18 Sept 2020



Synergies and growth outlook

An acquisition of CannaCare will deliver Elixinol immediate material scale in Germany, while creating significant long-term value through a high growth market trend, identified cost synergies and potential cross-selling opportunities.

Strategic Rational & Synergy Opportunities

- ✓ Access to EU's #1 growth market with leading consumer brand Canobo in 4500+ distribution points
- ✓ Improved regulatory environment legitimising CBD as food product and driving wider distribution and consumer adoption.
- ✓ Profitable business with opportunity to positively contribute to cash generation
- ✓ Opportunity to create pan-European CBD powerhouse and combined business
- ✓ Cross-selling mutually exclusive and differentiated product portfolio
- ✓ Access to fast growing adjacent German speaking markets
- ✓ New cosmetics range offering access to new large-scale distribution
- ✓ Integration of back-office and operations functions to reduce cost of doing business
- ✓ Improved buying power resulting in lower COGS



Key people

FRANK OTTO

Strategy Partner & Shareholder

Serial founder in the media industry

Founder and investor of many successful corporations (e.g. VIVA Music-Television)

Will join the Board of Elixinol Global as Non-Executive Director

**OLIVER HAIST**

Managing Director

L'Oréal – Group Key Account Manager FMCG

Philips – International Head of Sales FMCG

Leifheit – Export Director

Estée Lauder – Head of Sales and Marketing Germany



Transaction summary

Elixinol plans to acquire leading German-based CBD business, CannaCare with acquisition expected to fast-track revenue growth and accelerate pathway to group profitability

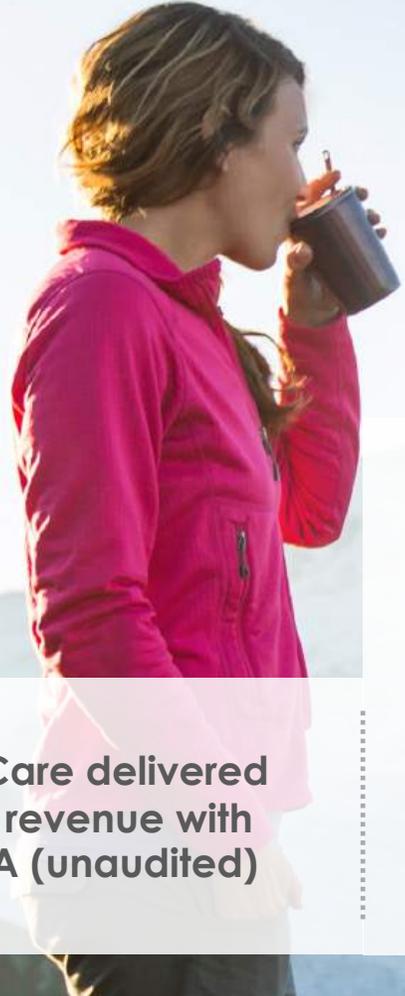
Attractive, EBITDA accretive acquisition

- **Up-front purchase price of €9m**, comprising: €3m cash; and €6m of Elixinol scrip
- Up-front consideration implies 3.5x EV/revenue (LTM 31 December 2020) and **2.2x EV/revenue** (based on annualised run-rate Q4 FY2020 revenue)
- Performance-based earn-out of **up to €15.0m** in Elixinol scrip, subject to achieving certain earn-out milestones
- At minimum threshold of €6.5m for an earn-out to be paid, CannaCare revenue would constitute **+66% revenue growth** on Elixinol Global's FY2020 audited revenue

**Under the earn-out,
CannaCare would
contribute between
A\$10-20m
in annual revenue
and between A\$2-4m in
annual EBITDA in FY2021**

Performance since March

CannaCare's performance in Germany has been consistent with our expectations, supported by a successful skincare launch



In FY2020 CannaCare delivered **\$4.3m (€2.6m)** of revenue with breakeven EBITDA (unaudited)

In Q1 FY2021 CannaCare delivered **\$1.5m (€0.9m)** of revenue with slightly positive EBITDA (unaudited)

The combination of CannaCare with Elixinol's UK business is expected to create an **EBITDA accretive pan-European business of scale**

Timetable

Event	Date
Despatch of Notice Of Meeting to shareholders (including Independent Expert's Report)	Thursday, 15 April 2021
Annual General Meeting	Monday, 17 May 2021
Targeted transaction completion	Monday, 5 July 2021
Issue of Upfront Consideration Shares	Monday, 5 July 2021
Issue of Earn-out Consideration Shares	Thursday, 31 March 2022
Upfront Consideration Shares released from voluntary escrow	Thursday, 31 March 2022

What's next...

Our core priorities are to re-ignite our US and UK businesses following severe COVID restrictions, integrate CannaCare into the Elixinol Group whilst fuelling the Canobo growth, further shifting our business to digital and optimise cost and margins.



US: phase 2 business transformation

Under new leadership addressing new growth channels

Close and embed CannaCare acquisition

Invest in profitable growth agenda to meet earn-out range

UK: reactivate national distribution post lock-downs 
Activate Superdrug, Well Pharmacy and Alliance Healthcare post FSA NFA validation

Digital growth

Enhance customer acquisition & conversion across all business units

Margin accretion 
Group margin at highest level over recent 5 quarters as result of CPG and digital strategy

Continue tight cost controls

Further initiatives to reduce OPEX.

In summary...the new **Elixinol Wellness**

Our brands are strong and getting stronger
repositioning and innovation is leading to material brand equity improvements



Continued business transformation in a better economic environment, with new leaders & better financial situation

Well positioned in global CBD markets
with new scale in high growth Europe

Digital strategy working
contributing materially to sales & profitability.

Optimised business model
with more cost opportunities and improved margins



Strong balance sheet with \$23.3m of cash
and virtually debt free

Exclusive shareholders offer...

Australian based investors



40% off sitewide

with CODE: EXLHEMPFOODS40

www.hempfoods.com.au

Excludes already discounted products,
Expires May 30th at midnight AEST

US based investors



40% off sitewide

with CODE: VIP40

www.elixinol.com

Excludes clearance / already discounted products,
Expires May 30th at midnight MDT

UK & EU based investors



40% off ElixinolSkin and Elixinol products with CODE: EXLVIP40

www.elixinol.co.uk

Shipping to UK only; excludes Liposomes / pre-discounted products, Expires May 30th at midnight BST

www.elixinol.eu

Shipping to EU only; excludes pre-discounted products,
Expires May 30th at midnight CEST



Official business



Resolutions

- Resolution 1. Re-election of Director – Mr Paul Benhaim
- Resolution 2. Remuneration Report
- Resolution 3. Approval to Issue Securities under the Elixinol Global Limited Equity Plan
- Resolution 4. Ratification of Placement
- Resolution 5. Approval of Increase in Maximum Aggregate Non-Executive Director Fees
- Resolution 6. Approval to Issue Shares as Consideration for the Proposed Acquisition of CannaCare Health GmbH
- Resolution 7. Approval to Issue of Performance Securities as Consideration for the Proposed Acquisition of CannaCare Health GmbH
- Resolution 8. Change of Company Name
- Resolution 9. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

Resolution 1

Re-election of Director – Mr Paul Benhaim

To consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

“That Mr Paul Benhaim, who retires in accordance with clause 6.1(f)(i) of the Company’s Constitution and being eligible for election, be re-elected as a Director of the Company.”

Resolution 1

Re-election of Director – Mr Paul Benhaim

	%	VOTES
For	96.39	65,751,470
Against	2.30	1,568,851
Open	1.31	896,965
Abstained	N/A	480,083

Resolution 2

Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding ordinary resolution** of the Company:

“That the Company’s Remuneration Report for the financial year ended 31 December 2020, as set out in the Directors’ Report, be adopted.”

The Remuneration Report is contained in the 2020 Annual Report (available at www.elixinolglobal.com/site/investor/investor-centre-home). Please note that, in accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 2

Remuneration Report

	%	VOTES
For	95.54	35,586,886
Against	2.04	759,533
Open	2.42	902,348
Abstained	N/A	31,448,603

Resolution 3

Approval to Issue Securities under the Elixinol Global Limited Equity Plan

To consider and, if thought fit, pass the following resolution as an **ordinary resolution** of the Company:

*"That, for the purposes of ASX Listing Rule 7.2, Exception 13 and for all other purposes, the Elixinol Global Limited Equity Plan (**Plan**) as described in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting be approved for the issue of securities under the Plan."*

Resolution 3

Approval to Issue Securities under the Elixinol Global Limited Equity Plan

	%	VOTES
For	94.38	35,275,650
Against	3.17	1,186,399
Open	2.45	915,354
Abstained	N/A	31,319,967

Resolution 4

Ratification of Placement

To consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, ratify the issue of 48,209,265 fully paid ordinary shares (**Shares**) in the capital of Elixinol Global Limited (**Placement Shares**) at an issue price of \$0.17 per Placement Share, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

Resolution 4

Ratification of Placement

	%	VOTES
For	92.87	35,385,887
Against	2.83	1,079,949
Open	4.30	1,638,452
Abstained	N/A	40,806

Resolution 5

Approval of Increase in Maximum Aggregate Non-Executive Director Fees

To consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

“That, for the purposes of ASX Listing Rule 10.17 and clause 6.3(a) of the Company’s Constitution, the maximum aggregate amount payable to Non-Executive Directors by way of Directors’ fees be increased by \$150,000 from \$350,000 to \$500,000 per annum.”

Resolution 5

Approval of Increase in Maximum Aggregate Non-Executive Director Fees

	%	VOTES
For	88.21	32,817,689
Against	9.37	3,487,692
Open	2.41	897,190
Abstained	N/A	30,370,897

Resolution 6

Approval to Issue Shares as Consideration for the Proposed Acquisition of CannaCare Health GmbH

To consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

*“Subject to the passing of Resolution 7, that, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 43,864,133 Shares to the Vendors (as that term is defined in the Explanatory Memorandum) or their nominees at a deemed issue price of A\$0.2105 per Share (**First Tranche Shares**) on the terms and conditions set out in the Explanatory Memorandum, be approved as part- consideration for the Company’s acquisition of all of the issued share capital in CannaCare Health GmbH.”*

Resolution 6

Approval to Issue Shares as Consideration for the Proposed Acquisition of CannaCare Health GmbH

	%	VOTES
For	97.15	66,725,756
Against	1.52	1,045,432
Open	1.33	910,196
Abstained	N/A	15,985

Resolution 7

Approval to Issue of Performance Securities as Consideration for the Proposed Acquisition of CannaCare Health GmbH

To consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

*“Subject to the passing of Resolution 6, that, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 3 performance securities to the Vendors (as that term is defined in the Explanatory Memorandum) or their nominees, which may convert into a maximum of 165,180,893 Shares (**Performance Securities**) as described in the Explanatory Memorandum, be approved as part- consideration for the Company’s acquisition of all of the issued share capital in CannaCare Health GmbH.”*

Independent Expert’s Report: Shareholders should carefully consider the Independent Expert’s Report prepared by Grant Thornton Corporate Finance Pty Ltd which is attached at Annexure A. The Independent Expert’s Report opines on the fairness and reasonableness of the Performance Securities. The Independent Expert has concluded that the issue of shares on conversion of the Performance Securities (if the relevant performance conditions are satisfied) is fair and reasonable to Shareholders, in accordance with the requirements of ASX Guidance Note 19.

Resolution 7

Approval to Issue of Performance Securities as Consideration for the Proposed Acquisition of CannaCare Health GmbH

	%	VOTES
For	96.55	66,170,550
Against	2.12	1,456,121
Open	1.33	910,196
Abstained	N/A	49,065

Resolution 8

Change of Company Name

To consider and, if thought fit, pass the following resolution as a **special resolution** of the Company:

“That, for the purposes of section 157 of the Corporations Act and for all other purposes, the name of the Company be changed to “Elixinol Wellness Limited”.”

Resolution 8

Change of Company Name

	%	VOTES
For	97.95	66,602,813
Against	0.68	461,435
Open	1.37	929,791
Abstained	N/A	703,330

Resolution 9

Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following as a **special resolution** of the Company:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum.”

Resolution 9

Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

	%	VOTES
For	94.85	65,032,054
Against	3.85	2,637,046
Open	1.31	897,190
Abstained	N/A	131,080



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Q&A

<https://www.elixinolglobal.com/site/investor/investor-centre-home>



Let Nature Shine



For more information

Investor relations and media please contact:

Ron Dufficy, Global CFO
ron.dufficy@elixinolglobal.com

Transaction summary

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Attractive, EBITDA accretive acquisition

- **Up-front purchase price of €9m**, comprising: €3m cash; and €6m of Elixinol scrip

- Up-front consideration implies 3.5x EV/revenue (LTM 31 December 2020) and **2.2x EV/revenue** (based on annualised run-rate Q4 FY2020 revenue)

- Performance-based earn-out of **up to €15.0m** in Elixinol scrip, subject to achieving certain earn-out milestones

- At minimum threshold of €6.5m for an earn-out to be paid, CannaCare revenue would constitute **+66% revenue growth** on Elixinol Global's FY2020 audited revenue

CannaCare performance to date

- In FY2020 CannaCare delivered **\$4.3m (€2.6m)** of revenue with breakeven EBITDA (unaudited)

- In Q1 FY2021 CannaCare delivered **\$1.5m (€0.9m)** of revenue with slightly positive EBITDA (unaudited)

- **Significant revenue growth** is expected for CannaCare in FY2021

**Under the earn-out,
CannaCare would
contribute between
A\$10-20m
in annual revenue
and between A\$2-4m in
annual EBITDA in FY2021**