

**ASX Announcement**  
**12 February 2024**

**FULLY UNDERWRITTEN ENTITLEMENT OFFER TO RAISE \$3.16 MILLION**  
**TO FUND ACQUISITION OF ANANDA FOOD**

- Elixinol Wellness to raise \$3.16 million through a fully underwritten, non-renounceable entitlement offer (“**Offer**”)
- Funds raised will be used primarily to support the acquisition of Ananda Food Pty Ltd, in addition to marketing spend and general working capital purposes.
- The capital raising will support Elixinol Wellness on its pathway to EBITDA breakeven expected to be achieved by mid-CY2024
- The Offer has received strong support from new and existing institutional and sophisticated investors

Elixinol Wellness Limited ACN 621 479 794 (**Elixinol Wellness, EXL, the Company, or the Group**) (**ASX: EXL**), is pleased to announce it has entered into a Share Purchase Agreement (**Share Purchase Agreement**) with Ecofibre Limited ACN 140 245 263 (ASX: EOF) for the purchase of Ananda Food Pty Ltd ACN 107 362 863 (which is a wholly owned subsidiary of Ecofibre) and the Company is undertaking a fully underwritten non-renounceable rights issue to raise \$3.16 million (“**Entitlement Offer**”) to complete the acquisition of Ananda Food Pty Ltd, in addition to supporting marketing spend and providing general working capital.

The Entitlement Offer price of 0.5 cents being for one (1) new fully paid ordinary share (“**New Share**”) for every one (1) share held, together with one (1) free attaching listed option for every two (2) New Shares subscribed for and issued (“**Attaching Options**”). The Attaching Options will be exercisable at 0.75 cents each and expire 36 months from the date of issue (“**New Options**”). The Company will apply for the Attaching Options to be quoted on the ASX. Furthermore, sub-underwriter to the Entitlement Offer will receive a one (1) for two (2) sub-underwriter option for each share sub-underwritten (“**Sub-underwriter Options**”), issued on the same terms as the Attaching Options. The Sub-underwriter Options will be subject to shareholder approval, to be sought as soon as practicable.

The Entitlement offer price of 0.5 cents represents a discount of:

- 50.0% to the Company’s last traded price on 9 February 2024 (\$0.01); and
- 51.1% discount to the 10-day VWAP (\$0.0102) of the Company’s shares.

**Acquisition of Ananda Food Pty Ltd**

Ananda Food Pty Ltd (**Ananda Food**) is one of Australia's largest hemp producers. Ananda Food is focused on low-cost, high-quality production of hemp ingredients and products for bulk, branded and private label customers. Ananda Food produces a range of Australian grown hemp derived products and food which is complementary and expands on Elixinol Wellness' own range of hemp products.

On the acquisition, Mr. Ron Dufficy, Elixinol Wellness’ Group CEO and Managing Director said:

*"The acquisition of Ananda Food will strengthen and broaden EXL’s hemp ingredients portfolio. EXL will become one of the largest suppliers of hemp ingredients in Australia across both branded and private label products. It is complementary to our existing hemp product range and will bring improved unit economics through increased production yields and asset utilisation and create opportunities for significant cost and revenue synergies."*

The consideration under the Share Purchase Agreement consists of an upfront payment of \$2.0 million plus an earn out of up to \$1.0 million based on the performance of the Ananda Food business for the period ending 30 June 2025.

## **Entitlement Offer Details**

The Entitlement Offer will be made to shareholders with a registered address in Australia or New Zealand as at the Record Date of Thursday 22<sup>nd</sup> February 2024 (“**Eligible Shareholders**”). Eligible Shareholders will also have an opportunity to apply for additional New Shares and New Options (“**Top-up Securities**”) in addition to their pro rata entitlement. The issue of Shortfall Securities so applied for will be at the discretion of the Directors in consultation with the underwriter.

The funds raised under the Entitlement Offer are to be applied to the purchase of Ananda Food Pty Ltd, marketing spend and general working capital purposes. Canaccord Genuity is acting as Lead Manager and Underwriter to the Entitlement Offer (“**Underwriter**”).

The New Shares issued under the Entitlement Offer, will rank equally with the Company's existing issued Shares and the Company will make an application to the ASX for the official quotation of the new shares. The Company also intends to make an application to the ASX for the official quotation of the options under the Rights Issue (and the Sub-underwriting Options) as an additional class of listed security.

The table below sets out, for illustrative purposes only, the existing capital structure (before the Entitlement Offer) together with the impact of the issue of the new securities under the Entitlement Offer. It assumes that no existing options are exercised prior to the Record Date.

	<b>Shares</b>	<b>Options</b>
Existing securities as at date of the Entitlement Offer	632,871,613	134,819,446
Maximum number of new securities issued under the Offer ( <b>including sub-underwriting options</b> )	632,871,613	632,871,614
<b>Total issued securities following completion of the Offer</b> (assuming full subscription under the Offer)	1,265,743,226	767,691,060

Further information pertaining to the Entitlement Offer will be sent to Eligible Shareholders in Prospectus to be lodged with the ASX on Monday 19<sup>th</sup> February 2024 and dispatched to Shareholders on or around Monday, 26 February 2024.

## **Indicative Entitlement Offer Timetable<sup>1</sup>**

The following is an indicative timetable for the Entitlement Offer:

<b>Event</b>	<b>Time/Date</b>
Lodgement of Prospectus with ASIC	Monday, 19 February 2024
Record Date	Thursday, 22 February 2024
Entitlement Issue Open	Monday, 25 February 2024
<b>Entitlement Issue Closes</b>	<b>Friday, 15 March 2024</b>
Expected date of Shortfall Announcement	Wednesday, 20 March 2024
<b>Settlement of Entitlement Offer and Shortfall Shares</b>	<b>Monday, 25 March 2024</b>
Expected date of ASX Quotation of Entitlement Offer Shares	Tuesday, 26 March 2024

*1. Dates / times are indicative and subject to change. All times / dates are in reference to Australian Eastern Daylight Time*

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

**Investor relations please contact:**

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**About Elixinol Wellness**

Elixinol Wellness Limited (ASX: EXL) is a pioneer in the global hemp industry, innovating, marketing, and selling hemp and other plant-derived food, skincare, and nutraceutical products:

- In Australia, Elixinol Wellness operates a vertically integrated business which produces, manufactures, and distributes a range of highly complementary products delivered across four verticals – human nutrition, human wellness, pet wellness and superfood ingredients. We help our customers feel better by providing delicious, nutritious, and convenient health products, which improve and enrich our customers' lives. These products are sold under brands including Hemp Foods Australia, Mt Elephant and Field Day and are sold through grocery, wholesale, and e-commerce channels. The Australian Superfood Co supplies Australian natives and superfood ingredients to white label customers as well as food, beverage, and beauty manufacturers.
- In the Americas, innovating, marketing, and selling high quality Elixinol branded hemp and other plant-derived nutraceutical and skincare products based in Colorado, USA.
- In the United Kingdom, Japan, Brazil, Mexico and South Africa, branded hemp and other plant-derived products are available to consumers via exclusive distribution and/or trademark and know-how licensing agreements.

See more at [www.elixinolwellness.com](http://www.elixinolwellness.com)