

ASX Announcement**5 April 2023****ELIXINOL SUCCESSFULLY COMPLETES
PLACEMENT AND LAUNCHES SPP**

- Firm commitments received for \$1.25 million Placement and launch of \$1.0 million share purchase plan (“SPP”) for eligible shareholders.
- Binding commitments received for \$1.0 million in respect of the SPP, with SPP to be fully underwritten subject to shareholder approval.
- Placement supported by new and existing institutional, sophisticated and high net worth investors.
- Placement and SPP offer price of \$0.018 per ordinary share.
- Placement and SPP shares offered with free attaching options on a 1:1 basis (“Attaching Options”), exercisable at \$0.02 and expiring 2 years after issuance, subject to shareholder approval.
- Funds to support the proposed acquisition of The Sustainable Nutrition Group Ltd (ASX: TSN), near-term growth initiatives, working capital and costs of the Offer.
- Supports the Company’s pathway to break-even, with proposed acquisition of TSN to assist in driving near-term synergistic initiatives.

Elixinol Wellness Limited (**Elixinol Wellness** or the **Company**) (**ASX:EXL**) is pleased to announce it has secured firm commitments for a \$1.25 million placement (“**Placement**”) from new and existing institutional and sophisticated investors and will undertake a Share Purchase Plan (“**SPP**”) to make the offer available on the same terms to existing shareholders.

Commenting on the capital raise, Group Chief Executive Officer of Elixinol Wellness, Ron Dufficy, said:

“Together with the Board, I am grateful of the strong support shown for Elixinol by institutional and sophisticated as well as high net worth investors through this placement. We are pleased to also make the offer available on the same terms to all shareholders via launch of a Share Purchase Plan. Importantly, the Company has received binding commitments for investors to take up any SPP shortfall shares up to \$1.0 million, with the SPP to be underwritten for the full \$1.0 million amount, subject to shareholder approval, which would deliver funding certainty for up to \$2.25 million.”

This funding will be used to improve our balance sheet and to strengthen our financial position as we move to complete the proposed acquisition of The Sustainable Nutrition Group. We have also included an attaching option for any investors that participate in the current offer – this has the potential to further bolster our cash position if the options are exercised.”

Placement

Under the Placement, the Company will issue new fully paid ordinary shares (“**New Shares**”) at \$0.018 per share (“**Offer Price**”). The Offer Price represents:

- a 25.0% discount to the last price close on 31 March 2023 (\$0.024 per share);
- a 19.2% discount to the volume weighted average price of shares over the five day and fifteen day periods up to the last close on 31 March 2023 (\$0.022 per share).

A total of 69,655,409 New Shares will be issued within the Company’s available placement capacity under ASX Listing Rules 7.1 and 7.1A, as follows:

- 38,028,852 New Shares will be issued utilising the Company’s capacity under ASX Listing Rule 7.1; and
- 31,626,557 New Shares will be issued utilising the Company’s capacity under ASX Listing Rule 7.1A.

Participants in the Placement will be entitled to subscribe for Attaching Options (see below for further details).

SPP

The Company is pleased to announce it will also undertake a share purchase plan for eligible existing shareholders on the same terms as the Placement (“**SPP**”). The SPP will be open to eligible shareholders, being shareholders on the Company’s register as at 7.00pm (AEST) on 4 April 2023 (“**Record Date**”), with a registered address in Australia or New Zealand (“**Eligible Shareholders**”).

Under the SPP, Eligible Shareholders will be invited to subscribe for up to \$30,000 of new, fully paid ordinary shares (“**SPP Shares**”) without the cost of brokerage fees or commissions. The issue price of SPP Shares will be the Offer Price of \$0.018 and participants in the SPP will be entitled to subscribe for Attaching Options.

Elixinol Wellness intends to raise \$1.0 million via the SPP and the Company reserves the right to accept over-subscriptions.

Further information in relation to the SPP, including the SPP terms and conditions and scale-back policy, will be outlined in the SPP offer booklet, expected to be dispatched to Eligible Shareholders on or around Monday, 17 April 2023. The Company reserves the right to vary the terms of the SPP without notice.

In the event that less than \$1.0 million is applied for under the SPP by Eligible Shareholders, the Directors will, in their absolute discretion, seek to place that number of Shares at the Offer Price to raise \$1.0 million when combined with the amount raised under the SPP (“**SPP Shortfall Offer**”). The SPP Shortfall Offer is subject to shareholder approval for the purposes of ASX Listing Rule 7.1. The Company has received binding commitments for \$1.0 million worth of Shares in respect of the SPP Shortfall Offer and expects the SPP to be underwritten up to \$1.0 million.

Attaching Options

New Shares issued under the Placement and SPP will be offered with free Attaching Options on the basis of one Attaching Option for every New Share issued.

Each Attaching Option will be exercisable for one share at an exercise price of \$0.02 and will expire two years after the date of issue.

The Attaching Options will be offered under a transaction-specific prospectus under section 713 of the Corporations Act 2001 (Cth). The Attaching Option offer is conditional on EXL shareholder approval for the purposes of ASX Listing Rule 7.1, to be considered at an extraordinary general meeting of shareholders to be convened by the Company. If EXL shareholders do not approve the issue of Attaching Options then no Attaching Options will be issued to Placement or SPP participants.

The Attaching Options will not be listed on ASX.

Use of Funds

The funds raised under the Placement and SPP will be used as follows:

- Implementation costs of the proposed acquisition of TSN;
- Working capital and near-term growth initiatives; and
- Costs of the Offer.

Indicative Timetable

The indicative timetable for the Placement, SPP and offer of Attaching Options is set out in the table below:

Event	Date
Record Date of SPP	7:00pm (AEST) Tuesday, 4 April 2023
Announcement of completion of the Placement and launch of SPP – trading halt lifted	Wednesday, 5 April 2023
Settlement of the Placement	Thursday, 13 April 2023

Event	Date
Allotment and normal trading of New Shares issued under the Placement	Friday, 14 April 2023
Dispatch of SPP Offer Booklet, SPP offer opens Lodgement of prospectus for Attaching Options with ASX and Attaching Option offer opens	Monday, 17 April 2023
SPP offer closing date	Friday, 5 May 2023
Announcement of results of SPP	Wednesday, 10 May 2023
Allotment of New Shares issued under SPP	Friday, 12 May 2023
Normal trading of New Shares issued under SPP	Friday, 12 May 2023
Dispatch of holding statements for SPP	Monday, 15 May 2023
Dispatch of Notice of EGM	Early May 2023
EGM to approve Attaching Options and SPP Shortfall Offer	Early June 2023
Issue of Attaching Options and New Shares issued under SPP Shortfall Offer (if applicable) (subject to shareholder approval)	Early June 2023

** All dates and times are indicative and the Company reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.*

Update on proposed schemes of arrangement with TSN

In relation to the proposed acquisition by Elixinol Wellness of The Sustainable Nutrition Group Ltd (ASX:TSN) (“**TSN**”), by way of schemes of arrangement (“**Schemes**”), pursuant to a binding scheme implementation deed (“**Scheme Implementation Deed**”), announced to the ASX on 29 November 2022, the following update is provided in connection with the Placement and SPP.

Consent of TSN to Placement and SPP obtained

Pursuant to the terms of the Scheme Implementation Deed, and, to the extent relevant, pursuant to clause 7.1(c)(vi) of the Scheme Implementation Deed, Elixinol Wellness has obtained consent in writing from TSN to the undertaking of the Placement and SPP, notwithstanding the provisions of clauses 3.1(k); 7.1(a)(i); 7.1(a)(ii)(A); 7.1(a)(x); 7.1(b)(i); 9.1(a) of the Scheme Implementation Deed, and TSN has agreed that it may not bring a claim against Elixinol Wellness for, or otherwise exercise its rights under the Scheme Implementation Deed arising from, breach of any of the above provisions of the Scheme Implementation Deed by Elixinol Wellness, to the extent the breach arises directly in connection with the undertaking of the Placement and SPP.

Indicative timetable and next steps

An updated indicative timetable for completion of the transactions the subject of the Schemes is set out below. This timetable is indicative only and is subject to change due to factors including the timing of any necessary regulatory approvals.

First Court Hearing	Early May 2023
Scheme Meetings (after EGM referred to above)	Early June 2023
Second Court Hearing	Early June 2023
Effective Date	Late June 2023
Record Date	Late June 2023
Implementation Date	Late June 2023

A Scheme booklet containing information relating to the Schemes, the reasons for the TSN directors' recommendation that all TSN shareholders vote in favour of the Schemes, an Independent Expert's report and details of the Scheme Meetings will be dispatched to TSN shareholders and TSN Scheme Option holders in advance of the Scheme Meetings.

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Canaccord Genuity (Australia) Limited was the Lead Manager to the Placement.

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 global leader in the hemp industry, innovating, marketing and selling hemp and other plant-derived nutraceutical, cosmetic and food products. The Company's simplified business model is focusing on:

- 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 Australia, Hemp Foods Australia is a leading hemp food wholesaler, retailer, manufacturer and exporter of bulk and branded raw materials, and finished products
- In the United Kingdom, South Africa, Japan, Brazil, Mexico and Malaysia (pending approvals), branded hemp and other plant-derived products are available to consumers via exclusive Distribution and/or Trademark and Know-How Licensing Agreements
- Across the Rest of World, expanding distribution of branded hemp and other plant-derived products through reputable distributors as key markets open.

See more at www.elixinolwellness.com