

19 February 2024

Dear Optionholder,

Non-Renounceable Rights Issue Offer

On 12 February 2024 **Elixinol Wellness Limited** ACN 621 479 794 (**Company**) announced that it is undertaking a non-renounceable pro-rata entitlement offer of **1 new Share for every Share** held at the Record Date of 7.00pm on 22 February 2024 (**Record Date**), at an Issue Price of \$0.005 (0.5 cents) per new Share (**Entitlement**), plus 1 New Option to purchase 1 Share for every 2 new Shares issued under the entitlement offer (collectively, **Rights Issue Offer**) to raise a up to approximately \$3.16 million (before costs), the maximum being on the basis that no more than approximately 632,871,613 new Shares will be issued pursuant to the Rights Issue Offer. The Rights Issue Offer is underwritten.

Shareholders who subscribe for their full Entitlement will also be able to subscribe for Additional Shares at the same price (plus 1 New Option for each 2 Additional Shares issued to them) (**Top-Up Offer**). The Company will be applying to list the New Options on the ASX.

The Directors have reserved the right for up to 3 months after the close of the Rights Issue Offers to place any shortfall under the Rights Issue Offers (if any) (**Shortfall**) at a price no less than the Issue Price (**Shortfall Offer**).

The Rights Issue Offer, Top-Up Offer and Shortfall Offer are being made pursuant to a prospectus dated 19 February 2024 issued in accordance Section 713 of the Corporations Act 2001 (**Offers Prospectus**). A copy of the above announcement, together with further details of the Offers, are available on the Company's website (www.elixinolwellness.com) and also on the ASX Announcement Platform.

You are the holder of options to purchase Shares in the Company. The Rights Issue Offer is only available to holders of Shares in the Company, and not with respect to Shares that underly any options that have not been exercised. This letter is not an offer of securities in the Company. The purpose of this letter is to advise you that you are not entitled to participate in the Rights Issue Offer (with respect to any Shares that underly your options) without first exercising some or all of your options. The exercise of your options needs to be completed before the Record Date.

If you decide to exercise some or all of your options before the Record Date, the Shares that issue upon that exercise of those options will be included in your shareholding as at the Record Date. Your aggregate holding of Shares at the Record Date determines the extent of your entitlement to participate in the Rights Issue Offer.

If you do not wish to participate in the Rights Issue Offer (with respect to any Shares that underly your options), you need take no action in relation to your options.

Elixinol Wellness Limited | ACN 621 479 794 | ASX: EXL



The anticipated timetable for the Rights Issue Offer is as set out below. The timetable is indicative only and subject to change. Subject to the Corporations Act 2001 and the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Rights Issue Offer (or any part of it) at any time prior to allotment. In that event, any application money received under the Rights Issue Offer will be returned without interest.

The particulars of the Rights Issue Offer are contained in the announcement made on 12 February 2024. A copy of the Rights Issue Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) and the ASX on 19 February 2024 and is available for viewing on the ASX website, ASIC website and the Company's website (www.elixinolwellness.com). The Prospectus and the Entitlement and Acceptance Form, or access thereto, are expected to be sent to all eligible Shareholders on the same day.

Please ensure you read the Prospectus in its entirety and refer to the Company's ASX announcements before considering whether to participate in the Rights Issue Offer. If in any doubt you should consult your professional advisor.

For further information on your Entitlement please contact the Company's share registry, Automic Pty Ltd, on 1300 288 664 within Australia (within Australia).

Yours sincerely



Josephine Lorenz
Joint Company Secretary
Elixinol Global Limited