

Elixinol Global Limited

Updated investor presentation
May 2019



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HEMP

VS

MARIJUANA

Plant names

Hemp, industrial hemp, hemp food, hemp fibre, hemp stalk

Appearance and growing conditions

Tall, woody plant.

Intoxicating properties

No intoxicating properties.
Less than 1% THC.
Will not cause you to fail a drug test.



Uses

Over 50,000 different uses.
Foods, Skincare, Natural fibre
e.g. paper, clothing, rope.



Plant names

Medical cannabis, recreational cannabis marijuana

Appearance and growing conditions

Short, wide, bushy shrub.

Intoxicating properties

Contains intoxication properties.
Contains up to 30% THC.
100 times more than what is found in hemp.



Uses

Grown specifically for recreational and medical purpose.



For the first 150 years of Australia's European settlement, Hemp was legal as a food and Marijuana was legal for medical and recreational use. The stance on this changed in the late 1930's, when both were made illegal due to fear and confusion about their use. Now, they are back in the spotlight and are being recognised for their nutritional and medical benefits.

Who we are

www.elixinolglobal.com

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 Benhaim¹ | CEO / Executive Director

Over 25 years' experience in the hemp industry and is the co-founder of Elixinol, Nunyara 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 Nunyara Pharma.



Greg Ellery | Non-Executive Director

Global CPG specialist with experience in prior CEO and executive roles with Asahi Premium Beverages, Spectrum Brands, Polaroid Corp, Fosters Group and New Balance.



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).



Stratos Karousos | Chief Commercial and Legal Officer²

Commercial lawyer with extensive experience in top tier law firms (Baker McKenzie and Clayton Utz); cross-sector experience in M&A, ECM, corporate restructuring, PE transactions, JVs, & corporate governance.



Gabriel Ettenson | President of Elixinol

Co-founder and head of Elixinol and active member of several hemp lobbying groups.

Corporate overview

Key market statistics¹

ASX: EXL	OTCQX: ELLXF
Share price (17 May 2019)	A\$5.31
Market capitalization (17 May 2019)	A\$664.4m
Shares on issue ² Of which 77.87m escrowed shares until 8 January 2020	125.13m
Cash balance (31 March 2019)	A\$27.4m

Share price history

- IPO on ASX: 8 January 2018: raised A\$20m at price of A\$1.00
- September 2018: raised A\$40m at price of A\$1.85



¹ EXL reports in A\$ million and 31 December year end.

² As at 24 April 2019, last reported Appendix 3B.

Elixinol Global (herein referred to as EXL) is a global consumer brand company with products in multiple cannabis verticals, including CBD-based supplements, skincare, hemp food and medical cannabis.



Diversified portfolio

FY2018 revenue by business unit



Consumer Products

Dietary Supplements



Revenue \$32.5m (87%)*



45 products**:

- Tinctures
- Capsules
- Liposomes
- Hemp oil
- Topical products
- SATIVA Skincare

Hemp Foods



Revenue \$4.9m (13%)*



43 products**:

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

Pharmaceutical

Medical Cannabis



Seeking license and permit

Submitted license applications for cultivation and manufacture to Office of Drug Control (ODC) in H1 FY2018

Name change to Nunyara Pharma Pty Ltd "Nunyara" from Elixinol Pty Ltd in late 2018

Unique 60-acre land holding purchased in February 2019 in Australia

* FY2018 revenue before intragroup eliminations

** Stock Keeping Units (SKUs)

Why we're different

We believe our products represent the highest quality in the market

- **Highly diversified business model** with multiple products sold through multiple sales channels
- **In-house R&D efforts** focused on developing new technologies, formulations and delivery systems to maximize bioavailability of our products
- Hubs located in the U.S., Australia and Japan with distribution in North America, Asia Pacific and Europe
- **Vertical integration** enables us to actively manage our supply, distribution, pricing and margins



CREATE | BUILD | DREAM
RAPIDLY DISSOLVING CBD POWDER



Elixinol Global, international footprint

An established platform that can be leveraged for consumer products

Global platform for growth



- Avenues to market established across North America, Asia Pacific and Europe with mix of direct sales and via distribution partners
- Operations (pins) in:
 - Sydney and Bangalow, Australia
 - Colorado, California and NY, USA
 - Tokyo, Japan
 - Netherlands, UK and Spain
- Expansion plans underway, supported by marketing strategies in:
 - Latin America
 - New Zealand

Key highlights

www.elixinolglobal.com

FY2018 Key Highlights

Group revenue increased

121%

to \$37.1m driven by continued strong sales by Elixinol

Strong balance sheet with net cash of

\$42.7m

to drive international growth (\$27.2 at 31 March 2019)

Underlying EBITDA of

**\$0.7m in
FY2018**

compared to \$0.02m loss in pro forma FY2017

Hemp Foods Australia has invested for top line growth during FY2018 with revenue growing to \$4.9m

Up 51%
on FY2017

EXL investing to build a

**global
presence**

with significant capital deployed into scale-up, following positive regulatory developments

FY2019 Key Highlights

Strong start with momentum building

Nunyara

Awaits licencing from the Australian Office of Drug Control; unique land holding purchased (April 2019)

Strategic investment made into Pet Releaf, CBD pet products company

25% Ownership

US\$4.4 m investment (April 2019)

First agreements signed with large European and US retail distributors

EU & US

National retailer distribution chains signed (April 2019)

The background features a large, stylized white flower or leaf shape on the left side, partially overlapping a solid blue horizontal band that spans the width of the slide.

Growth drivers by business

www.elixinolglobal.com

Elixinol Global key growth initiatives

Continued disciplined approach to drive future revenue growth

Elixinol *hemp-derived CBD dietary supplements*

- ✓ Increase distribution through US national retail chains (commenced April 2019)
- ✓ Expansion of operations in Europe and Japan (first large EU distribution agreement April 2019)
- ✓ Investment in farming and production capabilities to facilitate future growth (new production facility on track for commissioning H1 2019)
- ✓ Key sales hires focused on retail distribution of branded products which is higher margin
- ✓ Improved e-commerce platform and investment in marketing (Presence appointed in April 2019)
- ✓ Continued focus on core product development, new product launches & building brand strength
- ✓ Ongoing investment in brand quality, US Hemp Authority Certification (received 2019)
- ✓ Progress - New York state CBD processor authorization (May 2019)

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 launched in early 2019 (Consumer Packaged Goods – Hemp Burgers) with a focus on mainstream FMCG channels
- ✓ SATIVA skincare products launched via health stores and online channels

Nunyara *medical cannabis*

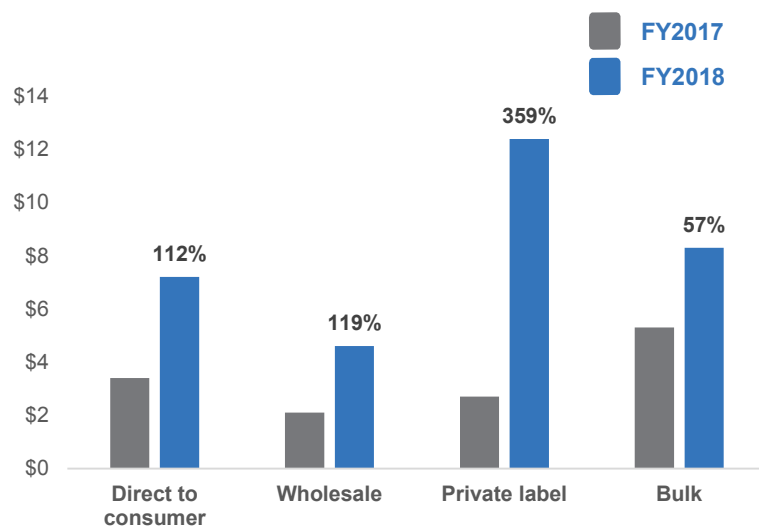
- ✓ Progressing license applications with the ODC
- ✓ Advanced plans prepared for build-out of integrated cultivation and manufacture facility program for proprietary products (unique land holding purchased February 2019)
- ✓ Finalizing the development of medical education program for proprietary products

Revenue growth by Consumer Products segment

Growth across all revenue segments with a clear strategy to drive higher margin products

Elixinol USA

A\$ million, 31 December year end



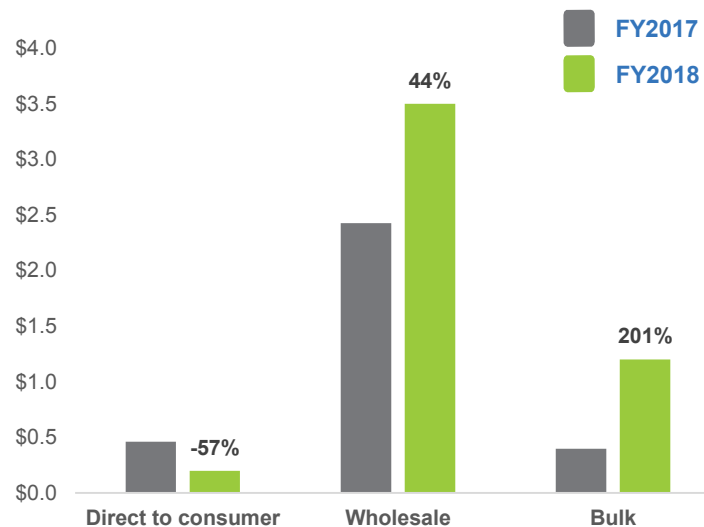
Comments

- Continued focus on direct to consumer sales of branded products which are higher margin
- Increased volumes of lower margin private label sales
- Production efficiencies expected as the business continues to scale

* FY2017 is shown on a pro forma basis

Hemp Foods Australia

A\$ million, 31 December year end



Comments

- Strong growth in bulk sales driven by favourable regulatory change to legalise hemp in Australia for human consumption
- Investment in sales and marketing teams with focus on new branded product sales through national distribution

Growth Drivers: Elixinol

Firmly positioned to drive revenue growth and take CBD market share

- **Doubling production** capacity in the USA with new 12,000 sq. ft. square foot Colorado facility (on track for commissioning in H1 FY2019); **plans to add** adjacent ~23,000 sq. ft. facility (secured raw material to facilitate more than intended growth)
- **New product development** underway, including skincare and pet health-related products (balm and Physician recommended products launched early 2019)
- **Key sales hires** to focus on optimizing and expanding retail distribution partnerships
- **Scaling direct-to-consumer** e-commerce platform alongside innovative advertising campaigns, including utilization of “influencers” in sports, lifestyle and well-being segments
- Continued focus on core product development, new product launches and building brand strength
- **Europe** sales and marketing team including product fulfilment capability **established**
- **US broking partner** Presence Marketing **appointed** (reach into 15,000+ retail stores)
- First large **retail distribution agreements signed in US and Europe** in April 2019, further agreements expected in FY2019



Growth Drivers: Elixinol – US retailer agreements

Strong interest from national retailers - first agreements signed and products being stocked

- Partnered with retail brokerage firm, Presence Marketing – clients control 15,000+ U.S. retail stores
- Launched in first major U.S. retail chain May 2019, rollout to 330 stores initially, expectations of 1,000
- Supported national marketing and PR campaign with a spend of around 20% of internal revenues projections for 2019
- U.S. Hemp Authority Certification



Elixinol product in Safeway (owned by Albertsons) retail store shelves 1, 2, 3 and 7, from top

Growth Drivers: Elixinol – Europe retailer agreements

Strong interest from national retailers - first agreements signed and products being stocked

- Recently expanded sales teams in key centres **across Europe**, including Netherlands, Spain, UK, Poland and Ireland
- **www.elixinol.eu** e-commerce website now operating in multiple languages
- Partnered with Cambrian Alliance Group, one of **UK's largest pharmacy buying groups** – clients control 1,200+ member pharmacies
- Entered sales and distribution agreement with UK distributor – P.O. for 60,000 units of 6 SKUs across initial 250 stores in **high street retailer**, launching UK **TV advertising** campaign June 2019



Elixinol product on shelves of Gravells Pharmacy in the UK, a member of Cambrian Alliance Group

Growth Drivers: Elixinol – New York state CBD authorisation

Supplying quality product to major national retailers within a clear regulatory framework

- Elixinol is officially granted a coveted CBD Processor **Authorisation by the New York State** Department of Agriculture Markets
- Authorisation provides Elixinol **ability to scale** operations and improve efficiency
- Creates **security** in The Big Apple



Growth Drivers: Elixinol – Pet Releaf investment

Strategic investment: 25% equity interest in Altmed Pets, LLC (Pet Releaf)*

- The most widely distributed hemp and CBD pet product in the market – sold online and through 4,000 retail pet locations globally
- Ended 2018 at \$12 million revenue annual run rate, growing triple digits
- Paid \$4.4 million cash and \$1.9 million scrip
- Elixinol exclusively produces and supplies Pet Releaf's CBD



Growth Drivers: Hemp Foods Australia

Leveraging industry leading position in Australia to further accelerate growth

- Solidify #1 market position in Australia for hemp food branded products with expanded FMCG distribution channels and optimization of current distribution agreements
- Now marketing selected Hemp Foods Australia products in USA and Europe
- Launched new SATIVA skincare products in 2018 with new packaging and branding in 2019 with most sales via Elixinol
- Implementing several new marketing initiatives, including expansion of brand ambassadors and influencers
- Focus on national distribution for new branded products with a focus on mainstream FMCG channels (Consumer Packaged Goods – Hemp Burgers, launched early 2019)



Growth Drivers: Nunyara Pharma (Australia)

Leveraging US cannabinoid production and formulation expertise for Medical Cannabis

Subject to ODC licenses and planning approvals:

- Cultivate 5000m2 within the 60 acre property
- High tech greenhouse cultivation,
- GMP extraction and manufacturing facility
- Sustainable and environmentally friendly
- Organically grown
- Scalable
- Production and sales expected 2020
- Leverage Elixinol's expertise in processing and manufacture of cannabis products



Outlook

www.elixinolglobal.com

Outlook

EXL's global investment into top line growth is on track. There is a significant opportunity to grow sales in the US via large national retailers, with ongoing conversations expected to lead to new sales distribution over the coming quarters. USA, Europe and Japan continue to be our focus geographic areas.

Paul Benhaim, CEO Elixinol Global commented:

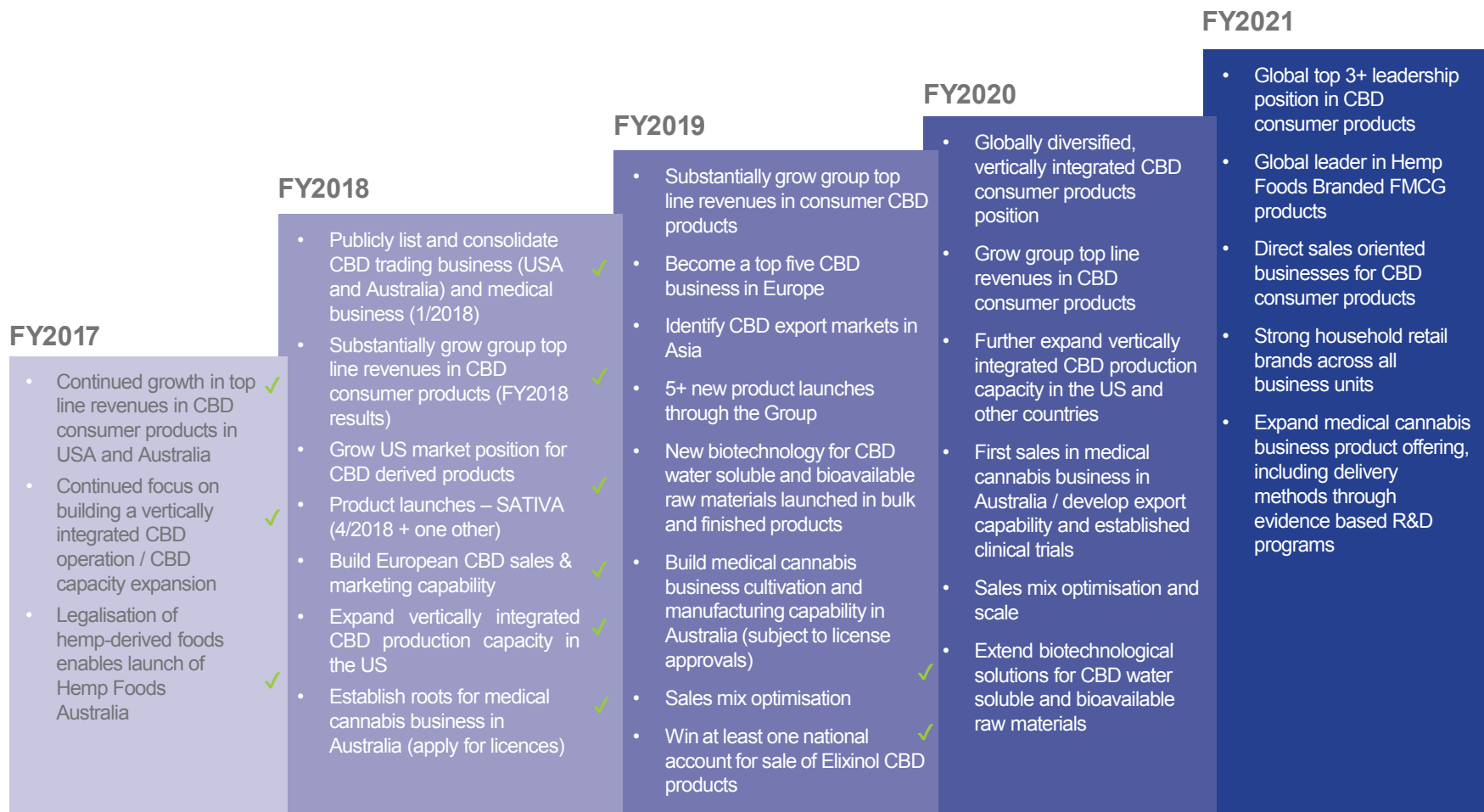
“The positive movement in legislation across industrial hemp markets, in combination with our own investment into top line growth during the March quarter, underpins EXL's objective of becoming a global leader of CBD consumer products. We have continued to diversify our business across a variety of channels and made significant investments into a number of key geographies globally, including strong headway in Europe. We remain very confident in our future growth strategy as we continue to diversify our branded product mix with a focus on national retail sales.

In the US, we are experiencing strong interest from national retailers to stock our products on the back of growing consumer demand. We are very excited to receive our first order from Albertsons (which includes Safeway stores), one of the largest national retailers in the US. In the UK, significant retail agreements were signed during the quarter, which will see our CBD products advertised on TV and stocked on shelves in major retail stores and pharmacies in the coming months. We see similar opportunities across many of the global markets that we are currently operating in, with ongoing discussions expected to lead to further agreements over the coming quarters.

It's a historic time to be participating in this rapidly growing industry as CBD pushes into global mainstream channels. EXL has engaged the services of a US distribution partner to drive sales of Elixinol branded products, starting with one major success of a leading US national retailer. To assist with the Company's growth, we are excited to have the expertise of Greg Ellery join the EXL Board and expansion of our global executive team with Stratos stepping down from the Board to become Chief Commercial and Legal Officer.”

Strategic outlook: delivering on our corporate strategy

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



Q&A

www.elixinolglobal.com

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