

ASX Announcement

14 February 2023

ELIXINOL WELLNESS SUCCESSFUL IN INTERNATIONAL ARBITRATION

- *Elixinol Wellness successfully resolved its arbitration proceedings against the shareholders of German company CannaCare Health GmbH.*
- *Elixinol Wellness is entitled to receive payments plus interest amounting to approximately 543,000 EUR (AU\$835,000) within 30 days.*
- *CannaCare Health GmbH disputed payment under a Termination and Withdrawal Agreement that mutually terminated the Share Purchase Agreement announced to the ASX on 15 March 2021 and Elixinol Wellness was forced to commence arbitration to recover the funds.*

Elixinol Wellness Limited (**Elixinol Wellness** or the **Company**) (**ASX:EXL**) is pleased to announce the dispute between CannaCare Health GmbH (**CannaCare**) and the Company's wholly owned subsidiary, Elixinol BV, has now been successfully concluded, with the Arbitration Award made in the Company's favour.

Elixinol Wellness announced on 29 June 2021 that it entered into a Termination and Withdrawal Agreement (**Termination Agreement**) with the shareholders of CannaCare to terminate the Share Purchase Agreement (**SPA**) for the intended acquisition by Elixinol BV of 100% of CannaCare, as announced to the ASX on 15 March 2021.

Completion of the acquisition was proposed to occur in July 2021, however further closing due diligence revealed a change in the German market outlook with rapidly intensifying competition. These factors led the Company to conclude that the acquisition, and the investments that would have been required to generate profitable returns, were not in the best interest of Elixinol Wellness' shareholders at that time. As a result, the parties entered into a Termination Agreement which provided for the parties to be mutually released from the SPA and for CannaCare to pay a reimbursement to the Company of 360,000 EUR in respect of costs incurred to date for the purposes of the proposed acquisition.

CannaCare failed to pay the monies owed under the Termination Agreement and the Company commenced arbitration proceedings to recover the amount owed, plus interest. The arbitration hearing concluded in September 2022. Overnight Australian time, the Company received the Arbitration Award, which has been approved by the German arbitration body, DIS, with the Arbitrator ordering a final Arbitration Award of approximately 543,000 EUR (AU\$835,000).

The Arbitration Award is vindication of the Company's position that it was owed the termination payments outlined in the Termination Agreement and that the claims made by CannaCare's shareholders were without merit.

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