



ASX Announcement 6 May 2020

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ELIXINOL SUCCESSFULLY COMPLETES INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER AND ANNOUNCES PARTIAL UNDERWRITING OF THE RETAIL ENTITLEMENT OFFER

Elixinol Global Limited (**Elixinol Global** or the **Company**) (**ASX:EXL; OTC:ELLXF**) is pleased to announce the successful completion of the institutional component of its accelerated non-renounceable pro rata entitlement offer (**Entitlement Offer**), details of which were announced to ASX on Tuesday, 5 May 2020 as well as provide an update on the Entitlement Offer.

Outcome of the Institutional Entitlement Offer

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) closed on Tuesday, 5 May 2020 and raised approximately \$5.3 million from the subscriptions for new fully paid ordinary shares in the Company (**New Shares**) at a price of \$0.20 per New Share.

New Shares in respect of institutional entitlements not taken up under the Institutional Entitlement Offer and New Shares that would have represented the entitlements of ineligible institutional shareholders were offered and placed to other institutional investors.

Elixinol Global's CEO, Oliver Horn, said: *"We are very pleased with the result of the capital raise as it represents a confident endorsement for our strategy to create a global nutraceutical wellness brand. Elixinol has built a strong position in key global markets and with the additional liquidity we can now focus on building a strong consumer brand. Importantly, this is also an endorsement of our new management's ability to create value for its shareholders."*

Approximately 26.7 million New Shares subscribed for under the Institutional Entitlement Offer (including as part of the institutional shortfall bookbuild) are expected to be issued on Thursday, 14 May 2020 and commence trading on the ASX on the same day. New Shares issued under the Offer will rank equally with existing Elixinol Global shares as at their date of issue.

Underwriting commitment by the Lead Manager

The Company and Bell Potter Securities Limited (the **Lead Manager**) have agreed to amend the offer management agreement and the Lead Manager will now fully underwrite the Institutional Entitlement Offer, and 50% of the retail component of the Entitlement Offer

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(**Retail Entitlement Offer**) on the terms and conditions of that agreement. Accordingly, this means that the Company has, subject to the terms of the offer management agreement, certainty of raising at least approximately \$8.2 million from the Entitlement Offer. Details of the termination rights of the Lead Manager under the offer management agreement are set out in Annexure A to this announcement.

Fees payable to the Lead Manager remain as disclosed in the Appendix 3B released by the Company on 5 May 2020.

Retail Entitlement Offer

The Retail Entitlement Offer seeks to raise a further \$5.6 million via a 1 for 2.51 accelerated pro-rata non-renounceable entitlement offer of approximately 28.2 million shares. The Retail Entitlement Offer is expected to open on Tuesday, 12 May 2020 and close at 5.00pm (AEST) on Thursday, 21 May 2020.

The despatch of the retail entitlement offer booklet for the Retail Entitlement Offer (**Retail Entitlement Offer Booklet**) (along with personalised Entitlement and Acceptance Forms for Eligible Retail Shareholders) is scheduled to occur on Tuesday, 12 May 2020.

The terms and conditions under which Eligible Retail Shareholders may apply for New Shares or Additional New Shares (as applicable) under the Retail Entitlement Offer are outlined in the Retail Entitlement Offer Booklet. Copies of the Retail Entitlement Offer Booklet will be available on the ASX website and <https://www.elixinolglobal.com/site/investor/investor-centre-home> from Tuesday, 12 May 2020.

Under the Retail Entitlement Offer, Eligible Retail Shareholders who take up their entitlement in full may apply for Additional New Shares in excess of their entitlement (**Oversubscription Facility**). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders, or entitlements that would have been offered to Ineligible Retail Shareholders had they been invited to participate. The allocation of Additional New Shares under the Oversubscription Facility will be subject to the terms set out in the Retail Entitlement Offer booklet.

The Company expects ASX to lift the trading halt and for its ordinary shares to recommence trading on an ex-entitlements basis from market open today.

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

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About Elixinol Global

Elixinol Global Limited (ASX:EXL; OTC:ELLXF) is a global leader in the hemp derived CBD industry, innovating, manufacturing and selling hemp derived CBD products. The Company's simplified business model is focusing on:

- In the Americas, innovating, manufacturing and selling high quality Elixinol branded hemp derived CBD products based in Colorado, USA
- In Europe & UK, educating and selling high quality Elixinol branded and co-branded hemp derived CBD products based in Amsterdam, The Netherlands
- In Australia, providing stronger unified planning and support across the group to enable the various regional offices to focus on operational strategy and execution through its Global Executive Office based in Sydney, Australia
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com

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This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares offered and sold under the Entitlement Offer may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which the Company has no obligation to do) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. Each person that reviews the information contained in this Presentation that is in the United States will be deemed to represent (a) that it is either (1) a "qualified institutional buyer" within the meaning of Rule 144A of the U.S. Securities Act or (2) a dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k) of the U.S. Securities Act) for which it has, and is exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S, in reliance on Regulation S, and (b) and agree that it will not forward or deliver this Presentation, electronically or otherwise, to any other person.

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ANNEXURE A Termination rights of Lead Manager

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Lead Manager. The Lead Manager may terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including where:

- (a) the conditions precedent in the Underwriting Agreement (including delivery by The Company to the Lead Manager of a due diligence questionnaire) are not satisfied or waived by their respective deadlines;
- (b) certain documents and publications in respect of the Offer include content that is misleading or deceptive in a material respect or likely to mislead or deceive in a material respect (including by omission);
- (c) the Cleansing Statement lodged with ASX is or becomes “defective” within the meaning of the Corporations Act;
- (d) the Company is prevented from issuing the New Shares within the time required by the Timetable, by the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;
- (e) any member of the Group suffers an insolvency event, or there is an act or omission which is likely to result in any member of the Group suffering an insolvency event;
- (f) ASX refuses to grant official quotation of all the New Shares under the Offer or approval is subsequently withdrawn in accordance with particular dates in the Timetable;
- (g) the Company ceases to be admitted to the official list of ASX or its shares are delisted or suspended from quotation by ASX for at least 1 Business Day;
- (h) there is a change to the board of directors, the chief executive officer or chief financial officer of The Company;
- (i) either:
 - (i) as at the close of the trading date prior to settlement of the Institutional Settlement Date, the S&P/ASX 200 Index is 12.5% or more below its level as at the close of trading on the trading day before the Institutional Opening Date; or
 - (ii) prior to the Retail Settlement Date, but after the Institutional Settlement Date, the S&P/ASX 200 Index falls by 12.5% or more below its level as at the close of trading on the trading day before the Institutional Opening Date, and remains at or below that level for at least two consecutive days or (if earlier) until the period ending at 5.00pm (Sydney time) on the trading day immediately prior to the Retail Settlement Date,
- (j) either:
 - (i) an application is made by ASIC for an order under Part 9.5 of the ASIC Act; or
 - (ii) ASIC commences any investigation or hearing under Part 3 of the ASIC Act, in relation to the Offer or the Offer Materials and any such application, investigation or hearing becomes public or is not withdrawn within three Business Days after it is made;
- (k) any event specified in the timetable for the Offer is delayed for more than 1 business day without the prior written consent of the Lead Manager;
- (l) the Company withdraws the Offer; or
- (m) any certificate which is required to be provided by The Company under the Underwriting Agreement is not provided when required.

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In addition, the following termination events will depend on: (1) whether the event has, or is likely to have, a material adverse effect on the marketing, success, outcome of the Offer; or (2) whether the event has given rise to, or is likely to give rise to a contravention of the Lead Manager or any of its Affiliates or liability for the Lead Manager or any of its Affiliates under the Corporations Act or any other applicable law, regulation or rule of any stock exchange:

- (a) there is an adverse change, or an event occurs which is reasonably likely to give rise to an adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group, or in the nature of the business conducted by the Group, other than as disclosed by The Company to the ASX before the date of the Underwriting Agreement or in the materials released to ASX in connection with the Offer;
- (b) the Company fails to perform or observe any of its obligations under the Underwriting Agreement, an obligation of the Company becomes incapable of being performed or observed by the required time, or a representation or warranty made or given by the Company proves to be, or has been, or becomes, untrue, incorrect or misleading;
- (c) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency which makes it illegal for the Lead Manager to satisfy an obligation under this agreement;
- (d) a statement in a Closing Certificate is false, misleading, inaccurate, untrue or incorrect (including by way of omission);
- (e) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement);
- (f) information in the due diligence materials provided by the Company to the Lead Manager becomes untrue, incorrect, misleading or deceptive (including by omission);
- (g) the Company is required to give ASX a notice of correction in relation to the Cleansing Statement in accordance with section 708AA(12) of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);
- (h) there is: (i) a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, Hong Kong or Singapore declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries; (ii) a suspension or limitation in a material respect of trading in all securities quoted or listed on ASX, the LSE, the NYSE, the HKSE or the SGX for at least one day on which the exchange is open; or (iii) any adverse change or disruption to the existing financial markets, political or economic conditions or currency exchange rates or controls in Australia, the United States or the United Kingdom or the international financial markets; or
- (i) there is an outbreak of hostilities (whether or not a war or a national emergency has been declared) not presenting existing, or a major escalation in existing hostilities occurs involving any one or more of Australia, Canada, a member of the European Union, Japan, Hong Kong, New Zealand, Singapore, the People's Republic of China, the United Kingdom or the United States of America or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world.