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ASX Announcement
16 March 2021

Investor Presentation Pack and Investor Briefing to be held Today

Elixinol Global Limited (**Elixinol** or the **Company**) **(ASX:EXL; OTCQB:ELLXF**) is pleased to invite investors to attend a special briefing today whereby Elixinol's Global CEO and Executive Director, Mr Oliver Horn and Global Chief Financial Officer, Mr Ron Dufficy will discuss in more detail the CannaCare Health GmbH acquisition announced to the market yesterday.

The investor briefing will take place today, Tuesday, 16 March 2021 at 11.00am, AEDT, via webcast.

To access the call, please use the link below to register. Once registered, dial in details will be provided.

Registration link:
https://us02web.zoom.us/webinar/register/WN_FEw1KGpIRh-qYpnog5vdkw

A revised investor briefing presentation pack follows this announcement which includes the following new appendix:

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The following sets out some key effects to the Company as a result of the Proposed Transaction proceeding:

Scenario:	**Nil earn-out[2]**	**Max earn-out[4]**
Upfront - cash (€3m)	4.6	4.6
Upfront - scrip (€6m)	9.2	9.2
Earn-out - scrip (between €0m-€15m)	-	23.1
Total Purchase Price (A$'m)	**13.9**	**36.9**

Scenario:	**Before transaction**	**Increase/(decrease) due to transaction**			
		Nil earn-out		**Max earn-out**	
	Elixinol	**CannCare**			
A$'m	**FY2020[1]**	**FY2020[2]**	**FY2021[3]**	**FY2020[2]**	**FY2021[4]**
Total Assets	42.5	10.0	-	10.0	23.1
Total Liabilities	6.8	0.8	-	0.8	-
Total Equity Interests	35.7	9.2	-	9.2	23.1
Total Securities on Issue (m)	314.7	43.9	-	43.9	109.7
Annual Revenue	15.0	4.1	< 10.0	4.1	20.0
Annual EBITDA	(22.9)	-	< 2.0	-	4.0

[1] Elixinol Group financial statements for year ended 31 December 2020 (audited). Annual EBITDA excludes asset impairment expenses.
[2] CannaCare FY2020 are unaudited and are shown on a pro forma basis. Upfront consideration of €9m, with €6m to be paid in Elixinol shares (converted to AUD at 22 February 2020 EUR/AUD exchange rate of 1.5389). Shares are issued at Elixinol's 2 month VWAP prior to 22 February 2021 of A$0.2105.
[3] CannaCare FY2021 nil earn-out scenario shown where FY2021 revenue is <€6.5m @ minimum 20% EBITDA and therefore no earn-out is payable (converted to AUD at 22 February 2020 EUR/AUD exchange rate of 1.5389).
[4] CannaCare FY2021 max earn-out scenario where FY2021 revenue is >€12.9m and minimum 20% EBITDA yielding a maximum potential earn-out of €15m payable as Elixinol shares which will be priced at 15 day VWAP prior to 31 March 2022 (for the purpose of this scenario, amounts shown assume an EUR/AUD exchange rate of 1.5389 and assumes 15 day VWAP prior to 31 March 2022 to be A$0.2105).

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

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About Elixinol

Elixinol Global Limited (ASX:EXL; OTCQB:ELLXF) is a global leader in the hemp industry, innovating, marketing and selling hemp 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 derived nutraceutical products based in Colorado, USA
- In Europe and the UK, educating and selling high quality Elixinol branded and co-branded hemp derived nutraceutical and skincare products based in Utrecht, The Netherlands and London, UK
- 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
- Hemp Foods Australia Pty Ltd, a leading hemp food wholesaler, retailer, manufacturer and exporter of bulk and raw materials, and finished products
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived products through reputable distributors as key markets open.

See more at www.elixinolglobal.com

About CannaCare

CannaCare® Health is one of the leading German manufacturers and wholesalers of high-quality cannabidiol (CBD) products. Key attributes:

- Break-even EBITDA business with a strong growth trajectory
- Highly experienced and capable management team with strong sales, marketing, operations and finance experience
- CannaCare has built its CANOBO line of CBD products into one of the leading CBD brands in Germany, estimated by management to be in top three by market share
- CANOBO offers an extensive hemp based CBD product portfolio including nutraceuticals, cosmetics, and sports products
- CANOBO has a strong leadership position in national drugstore chains such as Rossmann and Mueller, two of Europe's largest drugstore chains, with an estimated 4,500 distribution points and strong track-record with HSE24 Germany's biggest TV shopping channel. CANOBO products are available in CannaCare's online store www.canobo.de, as well as in pharmacies - both in-store and online.
- Newly launched comprehensive skincare range endorsed by German media celebrity Jorge Gonzalez with over 700 bricks and mortar retail distribution points plus listings across e-retailers and German TV shopping channel HSE24

See more at www.canobo.de



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Proposed acquisition of CannaCare Health to create a leading Pan-European CBD business

15 March 2021

elixinol

CannaCare

Kind of Amazing

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Disclaimer

This presentation contains summary information about Elixinol Global Limited (Elixinol) and its subsidiaries and their activities.

The information in this presentation does not purport to be complete. It should be read in conjunction with Elixinol's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

The information contained in this presentation is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek independent professional advice appropriate to their jurisdiction and circumstances.

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Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Elixinol and associated entities of Elixinol and certain plans and objectives of the management of Elixinol. Forward-looking statements can be identified by the use of forward-looking terminology, including, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may" or "will", and similar expressions. These forward-looking statements include all matters that are not historical facts.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of Elixinol to be materially different from the results or performance expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Elixinol's present and future business strategies and the political, regulatory and economic environment in which Elixinol will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation or warranty is made that any of these statements or forecasts (express or implied) will come to pass or that any forecast result will be achieved. Forward-looking statements speak only as at the date of this presentation and to the maximum extent permitted by law, Elixinol and its Related Parties disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, any assumptions or expectations set out in this presentation).

All figures in this presentation are A$ unless stated otherwise and all market shares are estimates only. A number of figures, amounts, percentages, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from figures set out in this presentation.

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Elixinol CBD





elixinolSkin CBD




Hemp Foods Australia






Our Vision

Building a global, hemp derived, health and wellness consumer products business.

Our Mission

Making a positive contribution to people's health, wellness and the planet through the power of hemp products.

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Transaction summary

Elixinol plans to acquire leading German-based CBD business, CannaCare, to accelerate its vision of becoming a global, hemp-derived health and wellness consumer products business.

Overview of CannaCare	• CannaCare's CANOBO brand is the leading company for premium CBD products in Germany's retail market (drugstores1, pharmacies) with over 4,500 distribution points selling a range CBD oils, sprays and cosmetics • Break-even business with a strong growth trajectory • FY2020 revenue of €2.6m at break-even EBITDA (unaudited) • 1st CBD brand to invest in extensive broad reach media and TV commercials • Operating a capital light outsourced supply chain model similar to Elixinol UK • Existing management team to remain in place. Major shareholder, Frank Otto, will join Elixinol's Board, bringing significant experience in the German and European markets
Purchase Consideration	• Up-front purchase price of €9m, comprising: –€3m cash; and –€6m of Elixinol scrip • Up-front consideration implies 3.5x EV/revenue (LTM 31 December 2020) and 2.2x EV/revenue (based on annualised run-rate Q4 FY2020 revenue) • Performance-based earn-out of up to €15.0m in Elixinol scrip, subject to achieving certain earn-out milestones
Earn-out Mechanism	• Maximum earn-out payable is €15.0m and CannaCare must achieve revenue during FY2021 of at least €6.5m for any earn-out to be payable (subject to a minimum EBITDA margin hurdle of 20%) • Adjustment mechanism in place where FY2021 revenue achieved is greater than €6.5m but below minimum EBITDA threshold • Earn-out to be paid in Elixinol scrip on or around 31 March 2022
Expected Financial Impact	• CannaCare delivered €2.6m of revenue in FY2020 with breakeven EBITDA and is expecting significant growth in FY2021 • At minimum threshold of €6.5m for an earn-out to be paid, CannaCare revenue would constitute +66% revenue growth on Elixinol Global's FY2020 audited revenue • Acquisition expected to fast-track revenue growth and accelerate pathway to group profitability • Substantial long-term synergy potential

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1. Based on Brightfield Group's European CBD, January 2021 Report, management estimates that CannaCare holds 42% market share in the German drugstore channel

German CBD market is highly attractive[1]

CannaCare presents an opportunity to take a significant share of Europe's fastest growing CBD market.

#1 Positive regulatory developments as the European Court of Justice ruled CBD is not a narcotic and CBD products should enjoy free movement within and across Europe. Novel Foods Application to be re-instated.

#2 2nd largest and fastest growing CBD market in Europe. Estimated retail value in 2020 of US$90m, expected to grow to US$617m by 2025 (CAGR 47%)

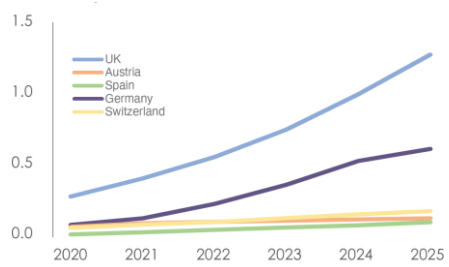
#3 Total addressable market (excludes Vapes) in 2020 of US$53m growing to US$477m in 2025 (CAGR 55%)

#4 Key channels include online, pharmacies, drugstores, organic grocery and specialty CBD retail account for 80-90% of distribution

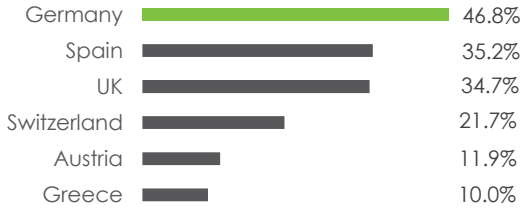
#5 Market highly fragmented with no brand having more than single digit market share

#6 Good access point to markets in Austria and Switzerland (Europe's No.3 and No. 4 markets) that together provides total market of US$147m in 2020 growing to US$322m by 2025 (CAGR 17%)

European CBD Markets Size (US$m)[1]



European CBD Markets 2020-2025 CAGR[1]



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1. Market statistics are sourced from Brightfield Group's European CBD, January 2021 Report

CannaCare overview

CannaCare presents an opportunity to take a significant share of Europe's fastest growing CBD market.

- Established 2018, based in Hamburg
- Extensive product range with 20 SKUs mainly consisting of oil, sprays and cosmetics marketed under CANOBO brand
- CANOBO #1 brand in German bricks and mortar retail with over 4,500 distribution points and an estimated market share of 42% [1] in the drugstore channel
- CANOBO first brand investing in broad reach media with several TV ads driving national consumer appeal
- Capital light model with outsourced supply chain
- Investment in new organic product certification
- Strict quality controls and independent testing regime







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[1] Based on Brightfield Group's European CBD, January 2021 Report, management estimates that CannaCare holds 42% market share in the German drugstore channel

CannaCare distribution and routes-to-market

CannaCare enjoys a dominant position in traditional retail with particularly strong penetration in the drugstore channel (~42% market share [1]) and pharmacies.

Pharmacy/Drugstores

ROSSMANN Mein Drogeriemarkt

Leading drugstore chain – 2,200 POS

Müller

Drugstores – 680 POS

BUDNI

Drugstores – 180 POS

IMstam healthcare distribution.

1,500 Pharmacy distribution

E-Commerce

Weltbild

Major online retailer & publisher

FLACONI

Premium online cosmetics retailer

DOUGLAS

Premium online cosmetics retailer

Home Shopping

HSE24

Leading European omnichannel retailer reaching ~45m German, Austrian and Swiss households

Supermarket

famila

Leading German supermarket with over 50 stores

Online

Platform transitioning from Shopify to Magento in Q1 2021 to support growth and scalability

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[1] Based on Brightfield Group's European CBD, January 2021 Report, management estimates that CannaCare holds 42% market share in the German drugstore channel

Key people

FRANK OTTO
Strategy Partner & Shareholder

Serial founder in the media industry

Founder and investor of many successful corporations (e.g. VIVA Music-Television)

Will join the Board of Elixinol Global as Non-Executive Director



OLIVER HAIST
Managing Director

L'Oréal – Group Key Account Manager FMCG

Philips – International Head of Sales FMCG

Leifheit – Export Director

Estée Lauder – Head of Sales and Marketing Germany



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Synergies and growth outlook

An acquisition of CannaCare will deliver Elixinol immediate material scale in Germany, while creating significant long-term value through a high growth market trend, identified cost synergies and potential cross-selling opportunities.

Synergy Potential

- Procurement savings by leveraging buying power of combined group
- Integration of supply chains leading to cost-out and enhanced efficiencies
- Leaner combined management and organizational structure
- Dual brand offering provides differentiation while capturing bigger share
- Access to fast growing adjacent German speaking markets
- Cross-selling mutually exclusive and differentiated product portfolio

Growth Drivers

- #1 Improved regulatory environment legitimising CBD as food product and driving wider distribution and consumer adoption.
- #2 German market growing to US$617m by 2025 (CAGR 47%) [2]
- #3 New cosmetics range with large scale distribution expected
- #4 ATL & BTL media investment driving consumer awareness and demand
- #5 New e-commerce platform and growing customer acquisition
- #6 New product launches and range extensions (eg. sleep, immune)

NEW



NEW



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[2] Brightfield Group's European CBD, January 2021 Report

Key terms and funding

Earn-out structure de-risks the transaction and limits downside, while enhancing upside potential and incentive alignment.

Key terms

Purchase Price	**Upfront Consideration**	• €9m total upfront consideration to acquire 100% of CannaCare, comprising: – €3m (A$4.6m) fixed payment in cash payable at completion – €6m (A$9.2m) fixed payment in Elixinol ordinary shares payable at completion – Elixinol scrip to be issued based on an agreed price of A$0.2105 Elixinol share price, representing the 2 month VWAP as at 22 Feb 2021 – Shares issued as art of this tranche will be subject to voluntary escrow from their date of issue until 31 March 2022
	Earn-out	• €15.0m maximum earn-out payable to CannaCare shareholders and will be paid in Elixinol ordinary shares at or around 31 March 2022, subject to one of the following targets being met: – Adjusted EBITDA of €2.58m is achieved; or – If Adjusted EBITDA margin is greater than 20% and revenue is €12.9m or higher • To the extent CannaCare does not achieve an Adjusted EBITDA margin of 20%, however achieves an Adjusted EBITDA of greater than €1.3m in FY2021, part of the earn-out will become payable (subject to a further 50% discount) • Earn-out to be 100% funded by Elixinol shares: – Share price will be calculated based on 15 day VWAP immediately prior to 31 March 2022 – Foreign exchange rate to be calculated based on RBA published prevailing AUD:EUR, immediately prior to conversion • Elixinol shares relating to the Earn-out to be issued on or near 31 March 2022
Condition		• The transaction is subject to customary conditions, including but not limited to: – An independent expert opining that the transaction is in the best interests of Elixinol security holders – Elixinol shareholder approval – ASX in principle advice regarding the issue of Performance Securities

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Timetable

Event	Date
Despatch of Notice Of Meeting to shareholders (including Independent Expert's Report)	Thursday, 15 April 2021
Annual General Meeting	Monday, 17 May 2021
Targeted transaction completion	Monday, 5 July 2021
Issue of Upfront Consideration Shares	Monday, 5 July 2021
Issue of Earn-out Consideration Shares	Thursday, 31 March 2022
Upfront Consideration Shares released from voluntary escrow	Thursday, 31 March 2022

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Summary: accelerating the path to profitability

The proposed CannaCare acquisition accelerates Elixinol's vision of becoming a global, hemp derived health and wellness consumer products business.

- Fast market entry and delivers immediate, material scale in Europe's fastest growing CBD market (CAGR of ~47% over 2020-25) [1]
- Established CBD brand with leading position in Germany and #1 brand[1] in drug store channel, with over 4,500 distribution points
- Robust financial profile with high growth outlook and clear pathway to profitability
- Recent changes to regulatory framework driving positive momentum in European CBD market
- Lean and scalable capital-light busines model currently primed to capitalise on regional tailwinds
- Creates a leading pan-European CBD business with global reach and diversification outside of US market
- Earn-out structure materially de-risks transaction and limits downside, while aligning interests with vendors to increase upside
- Highly capable management team bringing significant experience and regional expertise



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Q&A

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Appendix

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