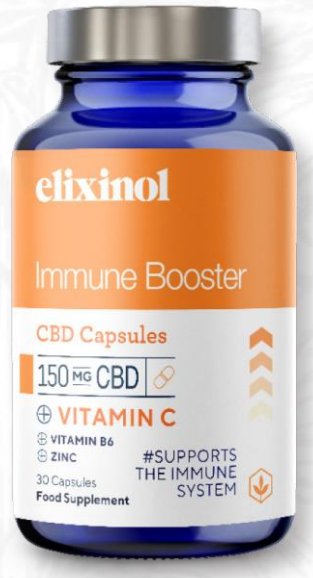
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ELIXINOL GLOBAL LIMITED

ASX:EXL | OTCQB:ELLXF

Investor Presentation

April 2021



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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.

Quality & transparency

Heritage

Compliance focus

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Rejuvenated Leadership

To facilitate the turn-around, new leadership capabilities have been put in place at all levels. Specific focus given to augmenting strategic, commercial and governance disciplines.



Chair - Helen Wiseman
Non-executive director and audit committee specialist with extensive international experience in food, pharmaceutical, natural healthcare, professional services, energy and natural resources and manufacturing industries. As a former partner of KPMG and previously named as one of the 2014 Australian Financial Review and Westpac 100 Women of Influence, she brings diversity and seasoned governance skills to the board.



Global CEO and Executive Director – Oliver Horn
Most recently CEO of Swisse Wellness for Australia and New Zealand (ANZ) and North America. With an established track record for exponential growth in established and emerging markets, Oliver has extensive experience in building premium global consumer brands, a deep knowledge of the vitamins, minerals and supplements (VMS) category, a track record of premium brand building and a passion for creating businesses with a positive and thriving workplace culture.



Global CFO – Ron Dufficy
Ron is a senior finance executive having held various leadership roles with ASX-listed companies such as CSR Ltd (ASX: CSR) and Aristocrat Leisure Ltd (ASX: ALL). Ron has significant experience in regulated markets including being based in the USA for 9 years, most recently as CFO for Aristocrat's largest and most profitable division, responsible for developing and implementing strategies to improve profit margins, grow market share and creating a global shared services organisation.

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An expanding global footprint

Our global footprint gives us access to high growth markets and diversifies risk.



AMERICAS (56% of Group Revenues)
*(2020 US$5b > 2025 US$17b, CAGR of +26% *)*

- **Est. 2014. One of most trusted brands (*CBD insider)**
- Colorado HQ. 37 FTE managing sales, marketing, production and logistics
- Growth focus:
  - E-commerce
  - NPD
  - Wellness Channel
- Exports into Latin America

Europe (16% of Group Revenues)
*(2020 US$554m > 2025 US$2.3b , CAGR of +34% *)*

- **Est. 2018. #1 mover advantage**
- UK & NL entities with dispersed team of 10 FTE managing sales, marketing & distribution
- Fully outsourced supply chain
- Growth focus on UK & GER:
  - Pharmacy
  - E-commerce
  - TV shopping
- Long-term distribution arrangement with South Africa

Mexico

South Africa

Japan

- **Most established and leading brand in Japan**
- Licensing agreement with Elixinol Japan, supply of HFA products
- HFA testing route to market into China cross border E-Commerce
- Growth focus:
  - Invest in Japan
  - Monitor SEA

Australia (28% of Group Revenues)

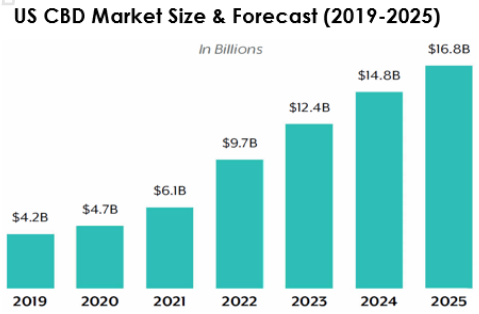
- **Est. 1999. Leading hemp foods brand**
- Sydney based Global HQ with 5 FTE
- HFA Byron Bay Office with 10 FTE managing production, sales & marketing of finished goods & bulk, exports to South Africa and Japan
- >1,200 distribution points
- Growth focus:
  - CBD in Australia
  - HFA hemp foods through NPD & E-Com

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Note:
(*) Source: Brightfield Group: Navigating Seismic Shifts July 2020 US CBD Report;
(*) Source: Brightfield Group: *European CBD, January 2021 Report*
Revenue by region based on FY2020

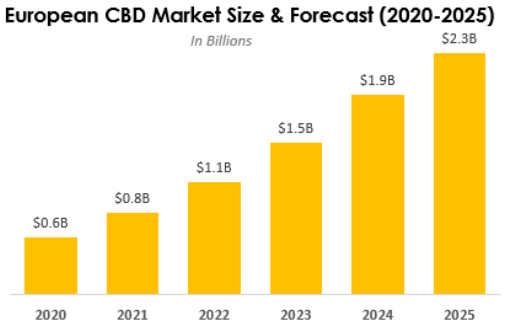
Global CBD market outlook & regulations

The global CBD industry is still in its early stages of consumer adoption. Regulations are changing fast and in favour of CBD.



US CBD market[1]:

- US$4.2B in 2019 expected to grow to US$16.8B by 2025
- Forecast growth 2020-2025 CAGR of 26%



European CBD market[2]:

- US$0.6B in 2020 expected to grow to US$2.3B by 2025
- Forecast growth 2020-2025 CAGR of 34%

Regulation differs across key markets

The UN accepts WHO's recognising the medicinal value of cannabis moving it to schedule 1

US regulatory framework uncertain:

- Market remains fragmented and highly competitive, but cannabis reform continues to build momentum under Democratic government. Congress passes SAFE Banking Act on 20th April. It is widely expected that the FDA will regulate CBD as a dietary supplement within 24 months.

Europe now has the most stable and positive regulatory environment:

- The **EU** Commission ruled that cannabidiol can be qualified as food, provided that also the other conditions of Article 2 of Regulation (EC) No178/2002 are met. Consequently, the Novel Foods application pathway is expected to be re-opened.
- **UK** Food Standards Agency (FSA) required that those looking to market ingestible CBD products will have to submit an application for Novel Foods to keep products on shelves beyond March 2021. Elixinol's EIHA application has been validated by the FSA and can remain in distribution whilst being reviewed.

Exploring fast developing Australian market:

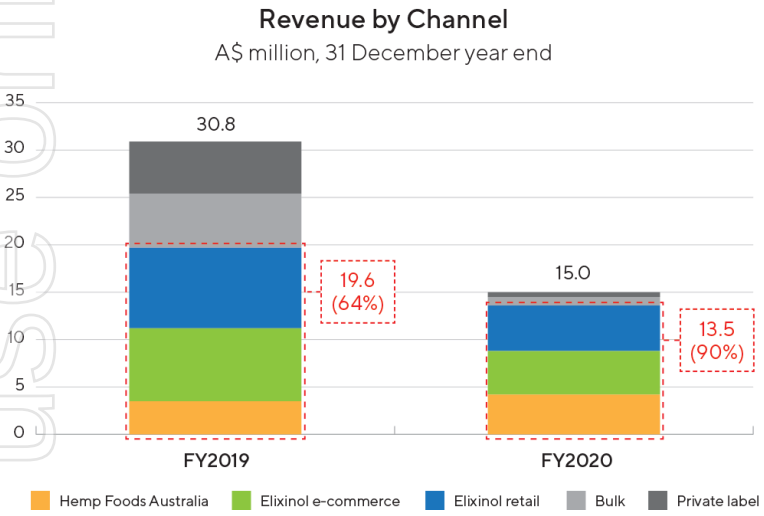
- On 15 December 2020, Australia's Therapeutic Goods Administration (TGA) confirmed the de-scheduling of CBD from Schedule 4 to Schedule 3, thus enabling CBD products that are registered with the TGA to be widely distributed across pharmacies.

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Note:
(*) Source: Brightfield Group: Navigating Seismic Shifts July 2020 US CBD Report;
(*) Source: Brightfield Group: *European CBD, January 2021 Report*

FY2020 financial summary

Well funded, reduced cost base and refocused on building a profitable consumer goods business.



Revenue by channel

Divested low margin business to focus on higher margin Elixinol branded products.

Driving margin improvement as business mix shifts towards branded consumer goods channels.

Annualised cost base

45%

Substantial operational and corporate cost reduction program completed in June 2020.

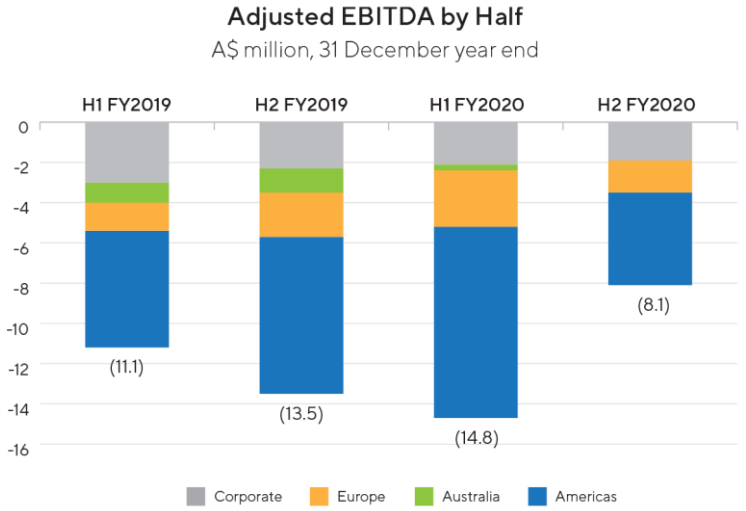
Well funded*

Cash reserves boosted by heavily oversubscribed capital raise provides new funding of $20.5m.

37%

$27.7m

Vs $20.2m in FY2019



Adjusted EBITDA**

Improved significantly between H1 and H2, despite lower revenues with a reduced cost base supporting a simplified strategy.

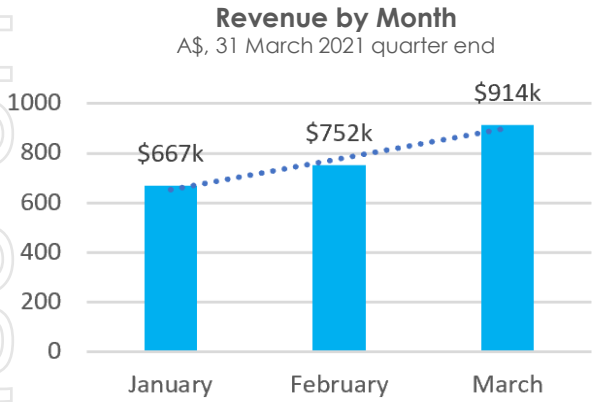
Cost reduction program and higher margin business driving performance improvements.

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* Cash and cash equivalents at the end of the financial year
** Excluding non-cash impairments

Q1 FY2021 update

Well funded, reduced cost base and refocused on building a profitable consumer goods business.



Revenue by month

Q1 FY2021 revenue of $2.3m – 26% decline on previous quarter vs Q4 FY2020 of $3.1m, reflecting normal seasonality, compounded by COVID-19 in key markets

Operating cash expenditure reduced

11%

Q1 FY2021[1] vs Q4 FY2020 following substantial operational and corporate costs reduction program

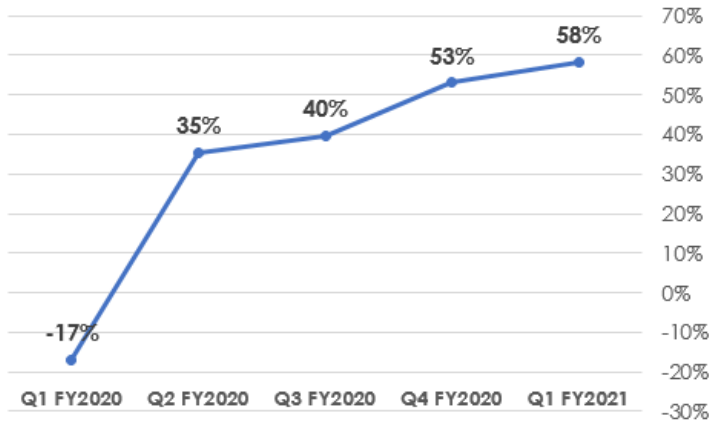
Well funded

$23.3m

Cash on hand[2], $3.6m cash used in operations[1] during Q1 FY2021 down from $13.0m used in Q1 FY2020

Cash gross margin improvement

Driving margin improvement as business mix shifts towards branded consumer goods channels with focus on e-commerce.



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[1] Excludes $0.3m CannaCare transaction costs paid in Q1 FY2021
[2] Cash and cash equivalents at the end of the quarter

Key highlights of Q1 FY2021

*The proposed CannaCare acquisition marked a material advance in our strategy to become a global consumer goods business. A strong funding position, improving margin profitability at a reduced cost base and the rekindling of UK trade conditions post **FSA Novel Foods Application validation** point towards a positive outlook.*



CannaCare SPA

Strategic EU market entry with #1 brand and outlook to improve Group revenue & profitability

Strong funding position

Cash reserves of **$23.3m** boosted by heavily oversubscribed capital raising in Q4 FY2020

Tight cost controls

Reduction in operating cash expenditure down 11%,

vs Q4 FY2020 substantial operational and corporate costs reduction program

Digital growth

Continued e-commerce growth drives 36% of Group revenues with improving metrics across all regions

Margin accretion

Group margin at highest level over recent 5 quarters as result of CPG and digital strategy

UK: Superdrug launch & emerging from lock-downs

Full range launch in UK's Superdrug and start of replenishment orders post FSA NFA validation

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

15 March 2021

elixinol

CannaCare

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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 M

Drugstores – 680 POS

BUDNI

Drugstores – 180 POS

IM stam 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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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 • Germany is 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%) • 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

Financial Implications

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).

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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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Takeaways

Broad hemp-based portfolio including food, skincare and supplements

Trusted & established brand with fresh nutraceuticals offering

Well positioned in **high growth global CBD / hemp categories**

Expanding global presence with break-through acquisition in **Germany**

Optimised business model with lower cost and new capabilities

Strong balance sheet with $23.3m of cash, and virtually debt free



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Q&A

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