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EXL
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Tuesday, 12 May 2020

Dear Shareholder

Elixinol Global Limited – Accelerated Non-Renounceable Entitlement Offer – Notification to Ineligible Retail Shareholders

On Tuesday, 5 May 2020, Elixinol Global Limited (the **Company**, **Elixinol** or **EXL**) announced an accelerated non-renounceable pro rata entitlement offer of 1 new fully paid ordinary share (**New Share**) for every 2.51 ordinary shares to raise up to \$11.0 million (**Entitlement Offer**).

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Retail Entitlement Offer is being partially underwritten, with Bell Potter Securities Limited (**Underwriter**) agreeing to underwrite 50% of the Retail Entitlement Offer. The proceeds raised from the Entitlement Offer will support operating cash flow, consumer brand building and distribution build.

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. Further information on the Entitlement Offer, including the eligibility criteria to participate and how your entitlements will be dealt with, is set out below. This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

Entitlement Offer

The Institutional Entitlement Offer closed on Tuesday, 5 May 2020 and the results of that component of the Entitlement Offer were announced to the market on Wednesday, 6 May 2020. The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below) to subscribe for 1 New Share for every 2.51 existing share held on at 7.00pm (Sydney time) on Thursday, 7 May 2020 (**Record Date**). The offer price is \$0.20 per New Share (**Offer Price**). Eligible Retail Shareholders who take up all of their entitlement under the Retail Entitlement Offer may subscribe for New Shares in excess of their entitlement (**Additional New Shares**). New Shares and Additional New Shares issued under the





Entitlement Offer will rank equally with existing EXL ordinary shares on issue. Fractional entitlements will be rounded up to the nearest whole number of shares. The Company will apply for quotation of the New Shares and Additional New Shares on ASX. An offer booklet in relation to the Retail Entitlement Offer (**Retail Offer Information Booklet**) will be released on the Australian Securities Exchange (**ASX**) and despatched to Eligible Retail Shareholders (as defined below) on or around Tuesday, 12 May 2020.

No Prospectus Required

The Entitlement Offer is being made without a prospectus or product disclosure document pursuant to section 708AA of the Australian *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

Eligible Retail Shareholders

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Thursday, 7 May 2020;
- have a registered address on the Elixinol Share register in Australia or New Zealand as at 7.00pm (Sydney time) on the Record Date, or is a Shareholder not in Australia or New Zealand that Elixinol has otherwise determined is eligible to participate;
- were not invited to participate (other than a nominee, in respect of underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer;
- are not in the United States and are not a person (including a nominee or custodian) acting for the account of or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of a person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Ineligible Retail Shareholders

Shareholders who are not Eligible Retail Shareholders and who did not participate in the Institutional Entitlement Offer are “**Ineligible Shareholders**” and are consequently unable to participate in the Retail Entitlement Offer. Elixinol reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and the section 9A(3)(a) of the Corporations Act (the **Act**) (as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84)



that it is unreasonable to make the Retail Entitlement Offer generally available to shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to:

- the legal and regulatory requirements in countries other than Australia or New Zealand;
- the potential costs to the Company of complying with these legal and regulatory requirements; and
- the relatively small number of shareholders in those countries, the relatively small number of shares those shareholders hold and the relatively low value of New Shares to which they would otherwise be entitled to subscribe for.

Determination of the eligible of investors for the purposes of the Retail Entitlement Offer is determined by the Company by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and/or the Underwriter. The Company and the Underwriter and their affiliates and related bodies corporate and each of their respective directors, officers, employees, advisers and agents disclaim any liability in respect of any determination of eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, Elixinol wishes to advise you that it will not be able to extend the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares or Additional New Shares under the Retail Entitlement Offer. You will not be sent the offer documents relating to the Entitlement Offer.

Non-renounceable offer

As the Retail Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been entitled to if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for your entitlements in respect of any New Shares that would have been offered to you if you had been an Eligible Retail Shareholder. New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Retail Shareholder may be allocated to other Eligible Retail Shareholders who subscribe for New Shares or Additional New Shares in excess of their entitlement under the Retail Entitlement Offer.

If you have any questions in relation to the above matters, you can call the Elixinol Global Shareholder Information Line on 1300 070 709 (inside Australia) or +61 3 9415 4318 (outside Australia) at any time between 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.



On behalf of the Board of Elixinol, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Teresa Cleary', is positioned above the typed name.

Teresa Cleary
General Counsel and Company Secretary
Elixinol Global Limited

About Elixinol

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 Elixinol branded hemp derived CBD products based in Colorado, USA
- In Europe & UK, educating and selling 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
- Globally, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com.

IMPORTANT INFORMATION

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.