

ASX Announcement

20 June 2023

Update on proposed scheme of arrangement with The Sustainable Nutrition Group

The following update is provided in relation to the proposed acquisition by Elixinol Wellness Limited (“**Elixinol Wellness**” or the “**Company**”) (**ASX:EXL**) of The Sustainable Nutrition Group Ltd (**ASX:TSN**) (“**TSN**”), by way of a scheme of arrangement (“**Scheme**”), pursuant to a binding scheme implementation deed (as varied) (“**Scheme Implementation Deed**”), and other commercial arrangements between Elixinol Wellness and TSN, announced to the ASX on 29 November 2022.

Further advance of loan funds from Elixinol Wellness to TSN Group

Separate to the Scheme, Elixinol Wellness has agreed to extend a 12-month secured loan of up to \$2,000,000 to TSN’s operating subsidiary, The Sustainable Nutrition Group (Australia) Pty Ltd ACN 614 061 794 (“**TSN Australia**”) to enable the TSN Group to refinance existing debt, to cover the costs, fees and expenses to undertake the Scheme as well as working capital requirements in the period prior to the Scheme becoming Effective (“**Initial Loan**”).

On 20 June 2023, pursuant to an Amendment and Restatement Deed, the initial maximum aggregate facility amount was increased from \$2.0m to \$2.4m to cover the additional working capital requirements of the TSN Group resulting from the effluxion of time since entering into the Scheme Implementation Deed and the consequent delay to the expected timetable for implementation of the Scheme (“**Further Advance**”).

The Initial Loan and Further Advance (collectively the “**Loan**”) are on arm’s length commercial terms, with an interest rate of 11.51% per annum.

Upon the Scheme becoming Effective, the Loan will be refinanced to an unsecured intercompany loan governed by the Company’s Umbrella Intercompany Loan Agreement. If the Scheme does not complete, the Loan is repayable in full by 28 November 2023.

As at the date of this announcement, \$2,000,000 has been advanced to TSN Australia. TSN Australia has announced that it intends to allocate the Further Advance to payment of liabilities to hemp suppliers.

First Court Date

The Federal Court of Australia has set down the First Court Date in respect of the proposed Scheme on Wednesday, 28 June 2023, and the Second Court Date on Monday, 7 August 2023.

Deed Poll entered into by Elixinol Wellness

The Company confirms that it has entered into and delivered to TSN the Deed Poll pursuant to which Elixinol Wellness covenants in favour of all Scheme Shareholders to perform certain obligations to give effect to the Scheme, the doing of which at least one Business Day prior to the First Court Date is an obligation of Elixinol Wellness under the Scheme Implementation Deed.

Indicative timetable and next steps

Based on the hearing dates allocated by the Federal Court of Australia, an updated indicative timetable for completion of the transactions the subject of the Scheme is set out below. This timetable remains subject to change due to factors including Court discretion and the timing of any necessary regulatory approvals.

First Court Hearing	28 June 2023
Notice of Scheme Meeting and Scheme Booklet sent to TSN shareholders	3 July 2023
Scheme Meeting	2 August 2023
Second Court Hearing	7 August 2023
Effective Date	8 August 2023
Record Date	10 August 2023
Implementation Date	17 August 2023

A Scheme Booklet containing information relating to the Scheme, the reasons for the TSN directors' recommendation that all TSN shareholders vote in favour of the Scheme, an Independent Expert's report and details of the Scheme Meeting will be dispatched to TSN shareholders in advance of the Scheme Meeting.

Retirement of TSN Interim Executive Chair

TSN has today announced that, as TSN moves towards the Scheme Meeting, Ms Pauline Gately has notified TSN of her intention to cease to perform an executive role with TSN as Interim Executive Chair, effective from today's date. Ms Gately will continue with TSN in the role of Interim Non-Executive Chair.

Capitalised terms which are otherwise not defined in this announcement have the meaning given to them in the Scheme Implementation Deed (as varied).

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 pioneer in the global 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