



15 May 2018

Elixinol Global FY2017 AGM, Chairman's address

I would like to take a few moments to reflect on the activities and achievements of the 2017 financial year (FY2017) which culminated in the Company Listing on the Australian Stock Exchange ("ASX") on the 5th of January 2018, and also provide a brief overview of the newly formed Elixinol Global Company ("Elixinol Global") and its purpose and position in the industry.

Company Overview

Elixinol Global's vision is to be a leading global supplier of premium hemp and medicinal cannabis products.

We currently operate in the industrial hemp industry through Elixinol USA and Hemp Foods Australia and have well advanced plans to operate in the medicinal cannabis market through Elixinol Australia, which was recently established.

Elixinol Global has a strong comparative revenue position against other ASX-listed cannabis stock due to our unique, diversified businesses. Our CEO Paul Benhaim will provide more details on the individual businesses and operational highlights shortly.

FY2017 Highlights

I will briefly cover here some of the key highlights from 2017 financial year.

On a pro-forma basis, Elixinol Global continued its solid revenue trajectory and proven track record with strong growth. Revenues increased substantially in FY2017 to A\$16.5m, up 62% on FY2016, and gross profit percentage improved to 64%, exceeding the prospectus forecast by 2%. Of note is the delivery of a positive EBITDA of \$20k, highlighting the cash generation of Elixinol Global's underlying businesses.

Elixinol achieved a major milestone with a successful listing on the ASX in January 2018. The Initial Public Offering (IPO) was oversubscribed, raising A\$20m with strong support from institutional investors and paves the way to implement the Company's growth and development plans.

A significant portion of the monies raised through the IPO process were for Elixinol Australia and its business plan in the medicinal cannabis market. The Company has submitted a robust application with the Office of Drug Control ("ODC") for the required cultivation and manufacturing licences. The licences will enable the establishment of a state-of-the-art



integrated cultivation and GMP manufacturing facility for developing proprietary medicinal cannabis products for the Australian market, and export markets as permitted. We have a clear path to market and are strongly positioned as and when these licences are granted.

The macro-environment continues to strengthen our position with some significant wins and developments over the past 12 months. These include the legalisation of hemp-derived foods in Australia in November 2017, which provides a supportive framework from which we can now grow Hemp Foods Australia. This is a major milestone for the business, and I must pay tribute here to our Elixinol Global CEO, Paul Benhaim who was a major contributor to the legislation change, following 25 years in the industry and years of lobbying for change.

In the US we recently saw a significant step towards complete Federal legalisation of hemp with the introduction of the Hemp Farming Act of 2018. This Bill, which has bipartisan support at the highest level, is pending Congress approval and if passed, will remove industrial hemp from the purview of the Controlled Substances Act and allow states to regulate cultivation. A green-light for commercial farming of hemp will pave the way for Elixinol USA to advertise its products in the United States and open up business channels.

FY2017 also saw Elixinol Global expand and strengthen its senior management team. The team has experience in navigating complex regulatory environments, along with deep international knowledge of the hemp and cannabis industries as well as healthcare and agriculture sectors.

Looking Ahead

The Elixinol Global Board's focus is now on cementing the strong governance systems we have put in place and further building our management capability. This will ensure we can successfully manage Elixinol Global's expected growth and capitalise on opportunities across all three businesses and market sectors.

At the individual company level, Elixinol Global is well placed to drive strong growth across its two industrial hemp businesses (Hemp Foods Australia and Elixinol USA), with very healthy product development pipelines, and the recent regulatory changes in Australia and potential changes in the US. For Elixinol Australia in the medicinal cannabis space there is significant opportunity, assuming our licences are granted, to leverage the well-established Elixinol brand, intellectual property, research & development capabilities, and significant experience in processing cannabinoids to become a leading provider of cannabis-derived medications in Australia.

For these reasons Elixinol Global is in a strong position, and we remain firmly committed to delivering sustainable shareholder value.

We are in exciting times as the global audience continues to better understand the benefits of hemp and cannabis products, and the regulatory environment is responding accordingly.



Elixinol Global is at the forefront of this conversation having both crafted a unique brand position and having extensive industry expertise, knowledge and a range of diversified businesses.

I'd like to thank the management team and employees who have been exceptional in their commitment to building the Elixinol Global business to date.

And lastly, before handing over to Paul, I would like to take the opportunity to thank you, our shareholders for your ongoing support and shared belief in Elixinol Global and our products.

Thank you, ladies and gentlemen. That brings me to the close of my address.

Are there questions before we proceed to the formal part of the meeting?

Andrew Duff
Chairman
Elixinol Global Limited