



Investor news

December 2018

Dear Investors,

It is a pleasure to present Elixinol Global Limited's (EXL's) first investor newsletter, following our initial ASX public offering in January this year and subsequent commencement of trading on the US OTCQX in September.

Since listing, it has been an extremely productive time for EXL as demonstrated by our significant quarter on quarter revenue growth. In October, we were pleased to report a further quarter of growth, with revenues up 159% in comparison with the same quarter in 2017 and up 27% in comparison with the June 2018 quarter.

EXL's rapid growth is being driven by a number of factors, not least being the huge growth in consumer interest for hemp derived CBD (cannabidiol) products. Elixinol boasts an extensive range of hemp-derived CBD products, including hemp oil, tinctures, capsules, topicals and ointments, which are currently being sold in international markets around the world.

Overnight we received news that the US Farm Bill had been approved by the US House of Representatives, who voted to approve this important piece of legislation by 369 to 47. From here the bill, which would see industrial hemp legalised at a federal level, must be signed off by the US President. This is the single most important legislative change in years which if signed, will positively impact our business, opening up many opportunities. Read more on page 2.

While our Elixinol products are considered dietary supplements which we can't make claims about, we do receive regular anecdotal feedback from our customers that the products help relieve pain and inflammation, anxiety and aid in a good night's sleep. It is this positive impact that we are able to make in people's lives that fuels my enthusiasm for our products and the industry in general.

In other major developments this year, we announced in November that we had completed an investment into Japanese distributor, Elixinol Japan, in order to leverage the exciting opportunities in that market. You can read more about this on the following pages.

In Australia, our Hemp Foods Australia business continued its leadership position in the market with the launch of its first finished products - the *Essential Hemp* range of snack bars. These bars were created in response to demand from retailers and demonstrates our intention to take Hemp Foods Australia towards being a finished products business, emulating the success we've had with our Elixinol branded products.

Finally, thanks to all those investors who have supported us both through our listing processes and in our follow up \$40m capital raise which closed in October. We look forward to deploying that capital wisely to fund our capacity growth and further build our global sales and marketing capability. We will keep you across our progress as we move forward in our quest to be a global leader in the cannabis industry. All the best for the festive season!

Regards,
Paul Benhaim, CEO

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Subscribe for email alerts, find announcements, share price details and important information to help manage your shareholding at www.elixinol.com

Corporate snapshot

ASX	EXL
OTCQX	ELLXF
Share price	\$2.40
Market cap	\$298.9 m
Shares on issue	102,928,540
Escrowed shares	52,559 (to 27 Dec 2018) 77,870,572 (to 8 Jan 2020)
Cash at bank:	A\$10.7m (30 Sept) + A\$40m raised Oct 2018

US Farm Bill in the news

The historic 2018 US Farm Bill has been dominating the news in the United States, as it now makes its way to the President to be signed. Overnight last night, the US House of Representatives passed the 2018 Farm Bill by a vote of 369 to 47. According to the US Hemp Roundtable, "a deal has been reached on the 2018 Farm Bill that includes the full text of the Hemp Farming Act, providing permanent legalization of hemp and popular hemp products like cannabidiol (CBD)."

In short, the Farm Bill decouples hemp from its cannabis cousin, marijuana, and permanently removes hemp from the Controlled Substances Act.

While at this time, our subsidiary Elixinol is able to trade in the US under various states laws, there is no federal law in place governing the ability to operate as a hemp products company. Therefore, the passing of the 2018 Farm Bill will substantially open up access to be able to trade and market Elixinol products in the US. See recent analyst and news coverage (right) for more info.

Elixinol Global commences trading on the OTCQX

Following our strong January debut on the ASX, EXL was excited to commence trading on the US OTCQX in August 2018 under the ticker code, ELLXF. This listing enables US investors to more easily trade our stock.



EXL invests further into Japanese market

In November, it was announced that EXL had completed a further investment into Japan, by acquiring 50.5% controlling interest in our Japanese distribution company, Elixinol Japan. The strategic A\$2.2m investment was funded through existing cash and will provide working capital to scale the Japanese business for anticipated growth in hemp-derived cannabidiol (CBD), hemp foods and skincare markets.

Strong financial results and investor outreach

As mentioned in CEO Paul Benhaim's letter on page one, in October, EXL was delighted to report substantial growth, finishing with revenues up 159% in comparison with the same quarter in 2017 and up 27% in comparison over the June 2018 quarter.

Post results, our CEO, Paul Benhaim and CFO, Ron Dufficy met with investors in Australia, Asia, Canada and the United States, and also spoke at a number of investor conferences, including the Bell Potter Emerging Leaders investor day, CannaTech and Wholesale Investor conferences in Sydney, the Australian Microcap conference in Melbourne and Cowen's Boston Cannabis conference. We look forward to meeting more investors as we continue our active investor relations program in 2018.

Recent analyst coverage

30 Oct 2018

[3Q FY2018 Strong Revenue Growth Continues](#)

13 Sep 2018

[Hemp CBD sector update, US Farm Bill](#)

29 Aug 2018

[1H FY18 Results, US revenues surge](#)

EXL in the news

7 Dec 2018

[Audio - CEO Paul Benhaim discusses the importance of the US Farm Bill](#)

5 Dec 2018

[Small Caps – US Farm Bill implications](#)

26 Nov 2018

[Morningstar - As congress bickers over farm bill, Marimed gets internationally busy down under](#)

24 Nov 2018

[Newscorp publications - Cannabis experts say we're just scratching the surface in unlocking the plant's potential](#)

Pictured left: Chris D'Ambrosio (OTC Markets), Dave Neman (Elixinol), Paul Benhaim, (EXL CEO); Gabriel Ettenson (Elixinol), Ron Dufficy (EXL CFO), Bob Power (OTC Markets)

Industry news

5 Dec 2018

[Farm Bill update: passage delayed, but keep calm](#)

29 Nov 2018

[SBS News - Australia's medical cannabis industry set to boom, new report finds](#)

26 Nov 2018

[Hemp Will Be A Top 10 Product In 2019, Whole Foods Predicts](#)

EXL's coming events (all 2019)

29-30 March

[NoCo Hemp Expo](#), Ft Collins, Colorado

1-2 April

[Spring Investor Summit](#), New York City

2-3 June

[Naturally Good Expo 2019](#), Sydney

7-9 June

[Australasian Society of Lifestyle Medicine](#) conference

Subscribe for updates at www.elixinol.com.

Elixinol reports record Black Friday sales and charitable donations

Elixinol achieved very strong sales figures over the Thanksgiving shopping holiday, buoyed by increased U.S. consumer demand and Elixinol's annual U.S. "Buy One Get One" promotion over the U.S. Thanksgiving holiday shopping weekend.

The sales also equated to strong donations to non-profit organisations at a time of year when most needed. 5% of all elixinol.com sales are donated to charity benefiting veterans and various health organizations.

Did you know?

Elixinol sells products through a number of different channels.

- Direct to consumer – via our website at www.elixinol.com
- Wholesale – where our own branded products are sold by distributors
- Private label – where we manufacture unique products in strategic partnership with other brands and
- Bulk – whereby we provide raw product to other brands in the industry

Sativa skincare range launched in the US

On December 8, Elixinol announced the release of SATIVA, a hemp-based skin care and hair care line. The 100% plant-based products are backed by world-class ethics including carbon neutral packaging and cruelty-free testing. The products are currently available on Elixinol.com

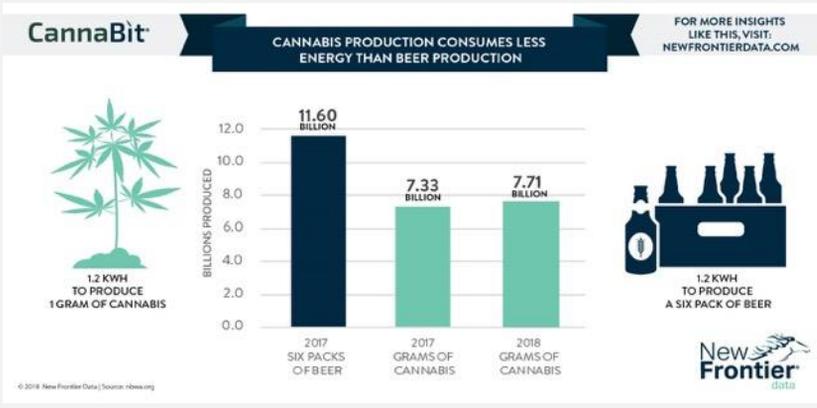


Elixinol attends MJ Biz, the world's largest cannabis business event

MJBizCon is the preeminent conference to drive business deals and valuable connections with professionals in the cannabis business. Elixinol held a large presence within the exhibition arena (see pics at right) and also used the time to meet with a number of investors and potential partners.

Fun, but important fact

According to New Frontier, cannabis production consumes less energy than beer production. This is no surprise to Elixinol and fits in with both our values of X, Y and Z (re being good to the planet) and delivering low emission products to our customers.



Elixinol in the news

6 Dec 2018

[Hemp's cognitive effects: Elixinol's supplements finding favour amongst Japanese consumers](#)

5 Dec 2018

[Buzzfeed: 18 Products For Anyone Who's Curious About This Whole CBD Thing](#)

26 Nov 2018

[Woodbury Magazine: CBD Oil + Food – Elixinol features \(pages 84 and 85\)](#)

1 Nov 2018

[CBD and the NYC Marathon: A love story for runners, doctors?](#)

Elixinol was at the following recent events

14-16 Nov

MJBizCon – Las Vegas, the world's largest cannabis business event

26-29 Sept

Cannabis World Congress & Business Exposition



See the Elixinol range of products and follow our progress at www.elixinol.com.

Essential Hemp bar range launched

In October, Hemp Foods Australia launched the first of its finished products by way of the Essential Hemp range of snack bars. Available via www.hempfoodsaustralia.com.au and all good health food shops across Australia, the bars were developed by a holistic nutritionist and come in three moreish flavours:

- Salted Caramel Crunch
- Ginger Macadamia Turmeric
- Choc Banana Coconut



Above: Hemp Foods Australia's Essential Hemp bar range

Hemp Foods Australia and Byron Bay Brewing Co – test beer batch

Hemp Foods Australia has been working with Byron Bay Brewing Co to produce a Hemp Beer. The first trial batch of the beer was completed and presented to the public on 7th December to gather consumer feedback. Next steps will be decided in the new year once feedback has been reviewed.



Prohibition Partners report forecasts Australia could have a \$3b medicinal cannabis licence

The Australian medicinal cannabis market could be worth over \$1.2 billion annually by 2024*, quickly ramping up to \$3b per year by 2028*, according to a new research report released recently by research firm, Prohibition Partners and sponsored by EXL. For more info, [follow this link](#).

Elixinol Australia's application to the Office of Drug Control for medical cannabis and manufacture licenses is progressing.



Hemp Foods Australia in the news

6 Nov 2018
Delicious Magazine writes up our Essential Hemp range

8 Oct 2018
[Easy being green? Startups fight for hemp dominance](#)

10 May 2018
[Priority Health: Hemp Foods Australia Raw Blueberry & Hemp Tarts](#)

Hemp Foods Australia - coming events

7-10 March	Australian Pharmaceutical Professional Conference & Trade Expo, Gold Coast
2-3 June	Naturally Good Expo, Sydney

Winner, winner!

Hemp Foods Australia has been deeply honoured by two recent award wins:



Hemp Foods Australia won the Excellence in Export award at the NSW Business Chamber Business Awards. (Pictured above, Hemp Foods Australia's General Manager, Felipe Favaro.)



And after only a short time on the market, SATIVA won award for best Certified Organic Cosmetic Product of the Year!