



ASX Announcement

25 May 2020

Termination of Sale of Hemp Foods Australia

As previously announced to the ASX on 3 February 2020, **Elixinol Global Limited (Elixinol or the Company) (ASX:EXL; OTC:ELLXF)** had agreed to sell its subsidiary Hemp Foods Australia Pty Ltd (**HFA**) to 云南绿新生物药业有限公司, a subsidiary of Shanghai Shunho New Materials Technology Co., Ltd (**Shunho**) for cash consideration of A\$500,000 pursuant to a share purchase agreement (**SPA**).

On 25 May 2020, Shunho terminated the SPA due to non-satisfaction of a condition precedent in the SPA, citing COVID-19 impacts. As a result, the Company will continue to operate the HFA business pending an evaluation of all opportunities to capitalise on HFA's strong position.

Group CEO Oliver Horn said *"The Company's sale of the HFA business was in line with Elixinol's refined strategy to focus on the hemp derived CBD market. In light of the termination of the SPA, we will continue to run the HFA business pending an evaluation of all potential opportunities available with the business. HFA is well positioned to service consumers growing needs for more environmentally friendly, clean and plant-based foods that are high in nutritional value. The Essential Hemp and Grounded food brands under HFA enjoy strong brand recognition and are in wide distribution across grocery, specialist retail and online. HFA's hemp based and cruelty free Sativa skincare range also offers opportunities to meet consumers growing need for more natural personal care products."*

During Q1 FY2020 the Hemp Foods Australia business generated revenue of \$1.3m and an EBITDA loss of \$0.2m (unaudited).

This document was authorised to be given to the ASX by the Board of the Company.

For more information please contact:

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About Elixinol Global

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 high quality Elixinol branded hemp derived CBD products based in Colorado, USA



- In Europe & UK, educating and selling high quality 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
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com