



ASX Announcement

28 July 2020

Elixinol Global enters into exclusive License Agreement in Japan

- Elixinol Global continues to deliver on its strategy to build a global Elixinol branded CBD nutraceuticals business
- Agreement enables Elixinol Japan to manufacture and sell Elixinol branded CBD nutraceuticals products across Japan
- Elixinol Global to receive royalties of 3% in the first year, then a 5% royalty in subsequent years
- Elixinol Japan is committed to growing the Elixinol brand and extending its market leadership position

Elixinol Global Limited (**Elixinol Global** or the **Company**) (**ASX:EXL; OTC:ELLXF**) is pleased to announce that it has signed an exclusive *Trademark and Know-How License Agreement* (**Agreement**) with Elixinol Co., Ltd (**Elixinol Japan**), ensuring Elixinol can continue to build on its market leadership position in Japan, one of Asia's biggest cannabidiol (**CBD**) markets.

Under the terms of the agreement, Elixinol Japan can use Elixinol trademarks and know-how in connection with the manufacture, advertising, distribution and sale of licensed CBD products in Japan. The Agreement is for two years with an automatic renewal of a further three year term and requires Elixinol Japan to pay Elixinol Global royalties equal to 3% of Elixinol Japan's net sales for the first year, then a royalty of 5% on net sales for subsequent years. In line with EXL's growth strategy, a portion of the royalties will be reinvested in growing the Elixinol brand further in Japan. Elixinol products will be manufactured in Japan to meet market specific regulatory requirements.

The agreement can be terminated for cause, which includes material breach of the agreement and failure to exceed Annual Revenue Targets.

Elixinol was one of the first CBD brands to enter Japan in 2015 and today is one of the country's leading CBD brands, with 2019 revenues of YPN 170M in a total market estimated to be YPN2b.

Commenting on the new deal, Elixinol Global's Group CEO, Oliver Horn, said: "*Japan is one of the biggest CBD markets in Asia and thanks to an early mover advantage and a highly capable team in Japan, Elixinol is in the very fortunate position of having one of the country's strongest CBD brands. We are very excited about this new chapter following last year's regulatory challenges, and we are now looking forward to start building and investing in the Elixinol brand again.*"



Mr Horn continued: *“This new license agreement has been made possible not only because of Elixinol Japan’s leadership team and their passion for our brand, but also as a result of having established a local supply chain that can bring Japan-specific and compliant products to market fast and effectively. We are looking forward to expanding our market leadership position and creating a power-house consumer brand that has a positive impact on the lives of Japanese people.”*

Makoto Matsumaru, CEO of Elixinol Japan, said: *“Most new industries and early-movers encounter challenges when entering into new markets. As one of the first CBD brands in Japan, Elixinol Japan was no exception. We are now in a position where we can build on our market leadership position and we are honoured to be once again working with the Elixinol Global team”.*

Elixinol Japan has also been purchasing and marketing products from Elixinol Global’s fully owned entity Hemp Foods Australia, which presents further exciting opportunities for both parties.

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
- Hemp Foods Australia Pty Ltd (Hemp Foods Australia), a leading hemp food wholesaler, retailer, manufacturer and exporter of bulk and branded raw materials, and finished products
- 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