



23 December 2020

Isabella Wong  
ASX Adviser, Listings Compliance (Sydney)  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

By email

Dear Isabella

### **ELIXINOL GLOBAL LIMITED (EXL) - ASX AWARE QUERY LETTER**

I refer to your correspondence dated 22 December 2020 (**ASX Letter**) containing a number of questions for Elixinol Global Limited ("**Elixinol Global**", "**EXL**" or "**Company**").

Elixinol Global responds to your questions as follows:

- 1. Does EXL consider the Q4 Trading Information to be information that a reasonable person would expect to have a material effect on the price or values of its securities?**

No.

- 2. If the answer to question 1 is 'no', please advise the basis for that view.**

Although the Company did not consider the relevant statements made by Mr Horn in the Proactive Investors interview to be material (defined in the ASX Letter as '**Q4 Trading Information**' and defined for the purposes of this letter as '**Interview Statements**'), out of an abundance of caution, the Company issued a Business Update on Monday, 21 December 2020 providing a high level overview of the topics canvassed in the interview, including the Interview Statements.

EXL considers that a reasonable person would have already been aware of the information contained in the Interview Statements, noting that in EXL's view the Interview Statements are reflecting on the widely-known understanding that the COVID-19 pandemic (and the associated lockdowns in UK and Europe) are broadly affecting trading conditions of businesses that operate in those markets.

- 3. When did EXL first become aware of the Q4 Trading Information?**

EXL continually monitors its financial performance, particularly as it approaches the end of Q4. Mr Horn became aware of the information contained in the Interview Statements through general management conversations with the European, UK and US teams in which those teams reported on their perception of Q4 trading conditions, particularly in relation to COVID-19.



4. If the answer to question 1 is 'yes', please explain why the Q4 Trading Information was not released to the market at an earlier time, commenting specifically on when you believe EXL was obliged to release the Q4 Trading Information under Listing Rules 3.1 and 3.1A and what steps EXL took to ensure that the Q4 Trading Information was released promptly without delay.

Not applicable.

5. Please confirm that EXL is complying with the Listing Rules and, in particular, Listing Rule 3.1.

EXL confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that EXL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EXL with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed. The above response has been authorised and approved by the Board.

Please do not hesitate to contact me if you would like to discuss any of the above matters.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Teresa Cleary', is placed over a light grey rectangular background.

Teresa Cleary  
General Counsel & Company Secretary

For more information please contact:

Ron Dufficy  
Chief Financial Officer  
[ron.dufficy@elixinolglobal.com](mailto:ron.dufficy@elixinolglobal.com)

### About Elixinol Global

Elixinol Global Limited (ASX:EXL; OTCQB:ELLXF) is a global leader in the hemp industry, innovating, marketing and selling hemp derived nutraceutical and food products. The Company's simplified business model is focusing on:

- In the Americas, innovating, marketing and selling high quality Elixinol branded hemp derived nutraceutical products based in Colorado, USA
- In Europe and the UK, educating and selling high quality Elixinol branded and co-branded hemp derived nutraceutical and skincare products based in Utrecht, The Netherlands and London, UK



- 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 products through reputable distributors as key markets open.

See more at [www.elixinolglobal.com](http://www.elixinolglobal.com)



22 December 2020

Reference: 29112

Ms Teresa Cleary  
General Counsel and Company Secretary  
Elixinol Global Limited  
Level 12  
680 George Street  
Sydney NSW 2000

By email

Dear Ms Cleary

**Elixinol Global Limited ('EXL'): Aware Query**

ASX Limited ('ASX') refers to the following:

- A. The interview of EXL's Group Chief Executive Officer, Mr Oliver Horn, conducted by Proactive Investors and published on the Proactive Investors website on 16 December 2020 at 1:10pm AEDT.<sup>1</sup>
- B. EXL's announcement titled 'Business Update' released on the ASX Market Announcements Platform ('MAP') on 21 December 2020 at 9:37am AEDT ('**Announcement**'), which included the following statements (emphasis added):
  - (i) [EXL] '*wishes to provide an update following the recent interview by Proactive Investors with Elixinol Global's Group Chief Executive Officer, Oliver Horn...*'
  - (ii) '*The interview covers ... the challenging impact of COVID-19 on recent trading conditions following a strong third quarter ...*  
  
*Mr Horn highlighted the confidence in the industry and Elixinol Global's business with the successful SPP and noted "...the fourth quarter certainly is not the quarter that we expected to have...simply because COVID has had a significant impact on our businesses in the UK and Europe...we had more head winds than we expected so I certainly see that the Q4 quarter is for us one of the more challenging ones compared to the previous quarter"...*' (the '**Q4 Trading Information**').
- C. The change in the price of EXL's securities from a closing price of \$0.21 on 18 December 2020 to a low of \$0.175 on 21 December 2020, subsequent to the release of the Announcement on MAP.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:

*'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information.'*
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

<sup>1</sup> Available at <https://www.proactiveinvestors.com.au/companies/news/936648/elixinol-global-delighted-as-demand-for-its-share-purchase-plan-far-exceeds-target-936648.html>

*3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.'*

G. ASX's policy position on the concept of 'confidentiality', which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 - 3.1B. In particular, the Guidance Note states that:

*'Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.'*

### Questions and Request for information

Having regard to the above, ASX asks EXL to respond separately to each of the following questions and requests for information:

1. Does EXL consider the Q4 Trading Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is 'no', please advise the basis for that view.
3. When did EXL first become aware of the Q4 Trading Information?
4. If the answer to question 1 is 'yes', please explain why the Q4 Trading Information was not released to the market at an earlier time, commenting specifically on when you believe EXL was obliged to release the Q4 Trading Information under Listing Rules 3.1 and 3.1A and what steps EXL took to ensure that the Q4 Trading Information was released promptly and without delay.
5. Please confirm that EXL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that EXL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EXL with delegated authority from the board to respond to ASX on disclosure matters.

### When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00pm AEDT on Thursday, 24 December 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does

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not fall within the exceptions mentioned in Listing Rule 3.1A, EXL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require EXL to request a trading halt immediately.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in EXL's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in EXL's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to EXL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that EXL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please contact me.

Yours sincerely

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**Isabella Wong**  
Adviser, Listings Compliance (Sydney)