



ASX Announcement  
28 September 2018

*Not for release to US wire services or distribution in the United States*

## **Elixinol Global raises A\$40m to accelerate international growth**

### **HIGHLIGHTS:**

- **A\$40 million institutional placement with strong support from new and existing international and Australian institutions**
- **Majority of funds raised to be applied to facilitate the acceleration of Elixinol Global's USA and European growth initiatives**

**Elixinol Global Limited (Elixinol Global, Group or the Company) (ASX: EXL; OTCQX: ELLXF)**, a global company operating in the industrial hemp, dietary supplements and emerging medicinal cannabis sectors, is pleased to announce that it has successfully completed a placement to domestic and international institutional and sophisticated investors raising A\$40 million at A\$1.85 per share (**Placement**), representing a 3.3% discount to the 15 day Volume Weighted Average Price (VWAP) of \$1.91.

Elixinol Global Chief Executive Officer, Mr Paul Benhaim, said: "The global cannabis market is growing at a rapid rate and Elixinol Global recognises the need to move quickly to leverage the opportunity around the business. This funding ensures we can seize the market opportunities in front of us, and in doing so, propel the business toward its next phase of growth.

In the US, the Company will apply funds towards increasing the capacity of our hemp-derived CBD production facility to prepare for increasing levels of demand. The Company will ramp up its sales force and marketing efforts in the US and Europe. The funds will also provide the Company with additional working capital to support its growth, pursue strategic investment opportunities and construct our Australian medicinal cannabis facility, upon receipt of a Medicinal Cannabis license from the Office of Drug Control.

We are grateful for the support from existing and new investors who participated in this capital raising in recognition of our world-class brand that continues to drive revenue growth and profitability for Elixinol Global."

### **Use of funds**

Proceeds from the Placement will be used to:

- Support the growth of Elixinol USA's hemp-derived CBD business including ramping up sales and marketing efforts and further expanding Elixinol USA's production capacity
- Expand Elixinol's sales and marketing activities in Europe
- Provide general working capital including for the funding of strategic investments



## Placement

The Company's fully paid ordinary shares ("**Placement Shares**") were offered at \$1.85 per share, representing a 14.0% discount to the last closing price of \$2.15 and a 3.3% discount to the 15 day Volume Weighted Average Price (VWAP) of \$1.91. The Placement represents approximately 21.0% of the Company's issued capital and was conducted under the 15% placement capacity of the Company in accordance with ASX LR 7.1 and additional 10% placement capacity of the Company in accordance with ASX LR 7.1A. As such, no shareholder approval was required.

Existing ordinary shares on issue pre-Placement	102,928,540
Placement ordinary shares issued	21,621,622
Ordinary shares on issue post-Placement	124,550,162

Of the 21,621,622 new Placement shares that will be issued, 15,439,281 shares will be issued under the Company's LR 7.1 capacity, with the remaining 6,182,341 new Placement Shares to be issued under the Company's LR 7.1A capacity. Existing holders of ordinary securities in the Company will be diluted by 21% as a result of the Placement (however, some existing shareholders have participated in the Placement, so their particular interests may have been diluted to a lesser extent).

The new shares issued under the Placement will rank *pari passu* with existing fully paid ordinary shares from allotment.

Bell Potter Securities Limited acted as Lead Manager to the Placement. No underwriting agreements were in place for the Placement. The costs pursuant to the Placement equate to approximately 5% of the funds raised.

The Placement is scheduled to settle on Wednesday, 3 October 2018 with allotment and trading to occur on Thursday, 4 October 2018.

Elixinol Global considered the Placement the best method for raising the funds required to achieve its stated objectives given the funding certainty. Elixinol Global also considered that there were significant benefits in introducing new domestic and international Institutional and sophisticated investors to promote a broader shareholder base.

## About Elixinol Global

Elixinol Global Limited (ASX:EXL; OTCQX: ELLXF) through its businesses has a global presence in the cannabis industry including hemp-derived CBD dietary supplements, hemp food and wellness products, as well as the cultivation and manufacture of medicinal cannabis products. Elixinol Global's businesses include:

- Elixinol USA, which was founded in 2014, is a manufacturer and global distributor of industrial hemp based dietary supplement and skincare products, with operations based out of Colorado, USA
- Hemp Foods Australia, which was founded in 1999, is a leading hemp food wholesaler, retailer, manufacturer and exporter of bulk and branded raw materials, and finished products
- Elixinol Australia, which was founded in 2014 to participate in the emerging Australian medicinal cannabis market has applications pending for cultivation and manufacturing licences

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



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