

Q2 Activities Report & Appendix 4C

Period Ended 30 June 2025



Q2 2025 Overview



- **Revenue and receipts rebounded:** Q2 revenue rose to \$4.1M, up 10.8% YoY and \$640K above Q1. Customer receipts of \$4.3M were \$740K higher than Q1, bringing H1 receipts to \$7.9M, \$1.3M above the prior year.
- **Cash conversion improvement:** Receipts exceeded reported revenue in both Q1 and Q2, reflecting improved customer payment cycles and stronger working capital discipline.
- **Gross margin stable; uplift expected:** Group gross margin remained steady in Q2 at 35.9% (Q1: 36.8%). An improving revenue mix toward higher-margin e-commerce and core brands is expected to support margin expansion in H2.
- **Operating cost containment underway:** Aggressive cost control measures are being implemented with a focus on overhead reduction, SKU rationalisation and supply chain/procurement optimisation to materially reduce the operating cost base from H2 onwards.
- **Funding secured to support final push to profit:** Closing cash of \$1.1M as of 30 June was supplemented by a \$1.35M 12-month secured debt facility and \$150K equity raise.
- **Brand portfolio delivering mixed results:** The Healthy Chef posted its strongest quarter since acquisition, Hemp Foods rebounded, and Mt Elephant returned to growth. Soul Seeds is being consolidated into Hemp Foods. Elixinol USA paused marketing ahead of brand refresh.
- **Product innovation progressing:** Launch of Menopause+ marks entry into the well-ageing category. H2 pipeline includes new Healthy Chef protein waters, functional snacking SKUs, and sustainable product formats.

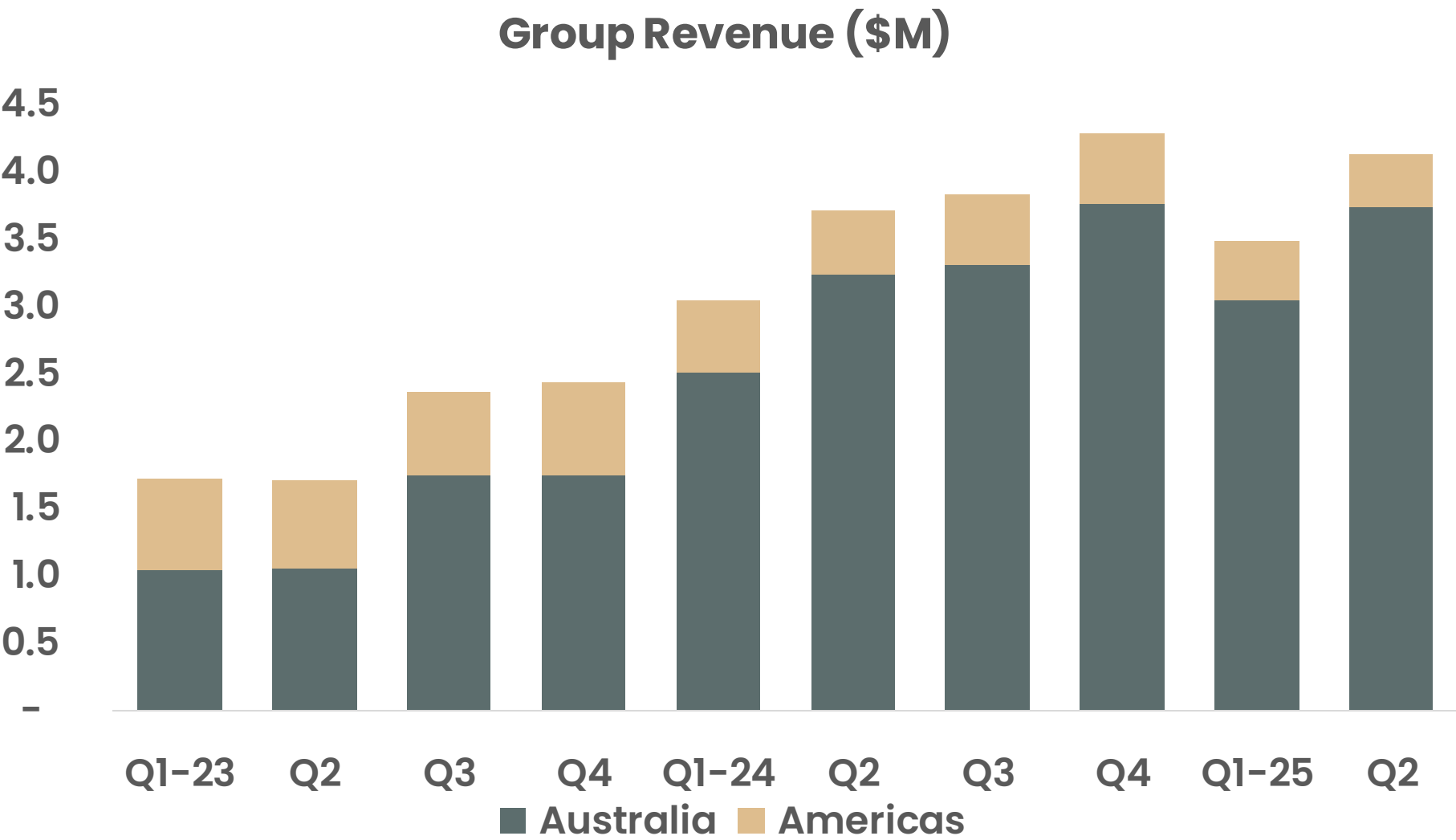


Elixinol Wellness: Q2 Revenue & Receipts

Elixinol Wellness Ltd (ASX:EXL) provides its Activities Report and Appendix 4C for the quarter ending 30 June 2025

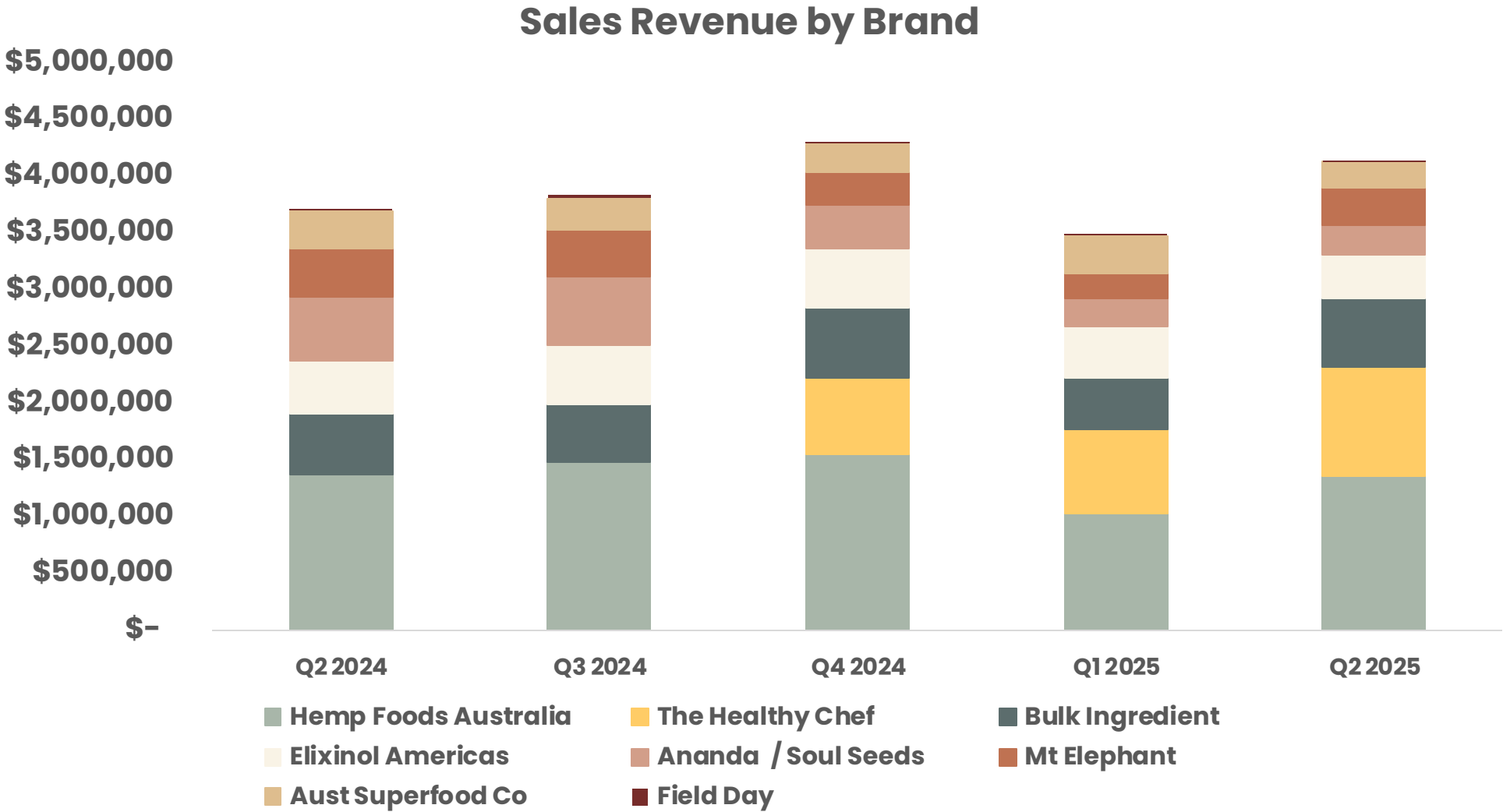
Q2 Rebound: Revenue & Receipts

- **Revenue rebounded in Q2:** Group revenue and receipts both improved from Q1’s softer than anticipated performance. **Q2 revenue of \$4.1M was 10.8% higher than the same period last year and \$640K ahead of Q1.**
- **Customer receipts of \$4.3M, up \$740K from Q1.** Total receipts for H1 FY25 reached \$7.9M, \$1.3M above the prior corresponding period. Receipts exceeded reported revenue in both quarters, indicating improved customer payment cycles and stronger cash conversion.
- **Unaudited H1 revenue of \$7.6M was 11.8% higher than H1 FY24.** However, softness in Q1 and a still-challenging retail environment continue to weigh on the top line.
- **Cost discipline remains a key priority in FY25,** with ongoing measures focused on margin enhancement and cash preservation.



Q2 Brand Performance

- **The Healthy Chef** achieved its strongest quarter since acquisition, driven by the successful menopause product launch and a more targeted digital strategy. New promotional mechanics and simplified content are being tested to boost engagement.
- **Mt Elephant** returned to growth, delivering its best quarter in three periods. Despite reduced SKUs and store footprint since late 2024, the streamlined range is gaining traction with key retail partners.
- **Hemp Foods Australia** rebounded strongly, outperforming Q1 and matching Q2 FY24, despite no new launches (vs. 12 SKUs in Q2 last year). Core products (hemp seeds, oil, and protein) remain the key growth drivers.
- **Ananda / Soul Seeds** sales softened due to Woolworths Macro's move to dual supply and the planned consolidation of Soul Seeds into Hemp Foods Australia. The integration simplifies the portfolio and strengthens brand focus.
- **The Australian Superfood Co** reported a softer quarter, impacted by order timing and the loss of a major customer. Momentum is expected to return in H2, supported by a clear recovery strategy.
- **Bulk Ingredients** delivered a strong quarter, up on both Q1 and the prior year. The business remains focused on driving profitability, improving systems, and lifting operational efficiency.



Elixinol USA: As part of preparations for an upcoming brand refresh, marketing activity was slowed, resulting in a softer quarter. Key strategic milestones were achieved during Q2, including detailed customer segmentation analysis, rebranding, and development of a new digital strategy.

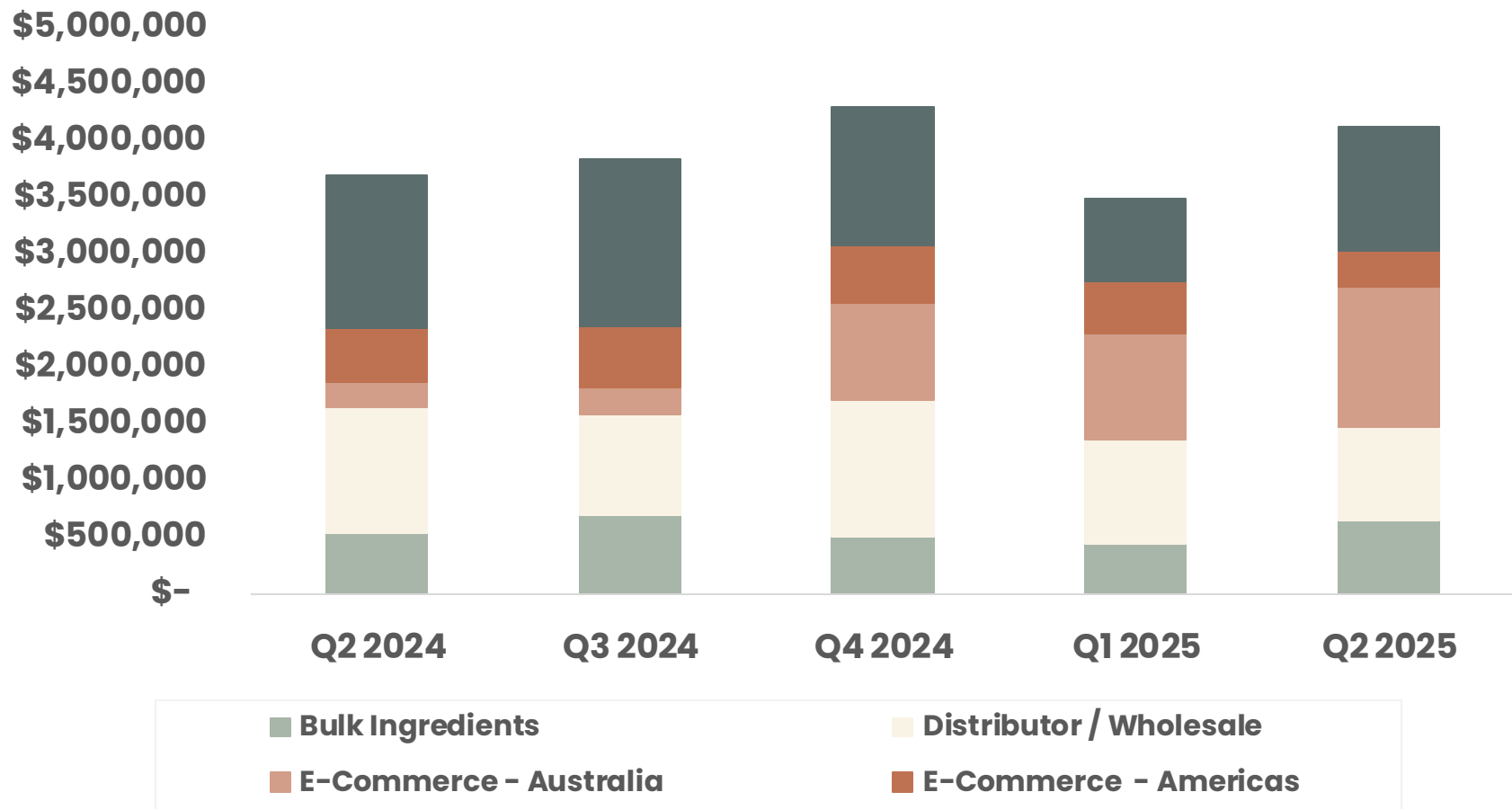


Q2 Channel Dynamics

Revenue mix continues to shift toward channels with stronger margins and deeper customer connection. This trend supports the Group’s longer-term focus on margin-accretive growth and profitability.

- **E-Commerce / DTC:** Strong quarter overall. E-commerce delivered a strong quarter, with E-Commerce Australia reaching a new record of \$1.24M, up 30% on Q1 FY25. Growth was driven by The Healthy Chef and targeted campaign activity. In the U.S., E-Commerce Americas softened to \$330K, reflecting a temporary reduction in marketing spend as the business completed its rebranding and developed a new digital strategy. Margins remain strong across both regions.
- **Grocery / Costco:** Grocery and Costco **rebounded to \$1.1M in Q2**, up from \$740K in Q1. This reflects improved performance by Mt Elephant following its range reset, and Hemp Foods Australia’s gold protein retail expansion. Velocity and replenishment frequency are improving.
- **Distributor / Wholesale:** Revenue was \$800K in Q2, down from \$920K the previous quarter. This was mostly driven by disrupted ordering from a major a distributor following their acquisition.
- **Bulk Ingredients:** Sales increased to \$650K in Q2, up from \$440K in Q1. This improvement reflects momentum in the Group’s B2B segment following a subdued first quarter.

Sales Revenue by Channel



Healthy Chef Expansion into Longevity & Well Ageing

During Q2 , Elixinol **launched The Healthy Chef Menopause+**, a new product targeting the **high-growth menopause and longevity segment**, which is projected to reach US\$432.5 million by 2030*.

- **Menopause+ is a TGA Listed**, science-led formulation designed to support women from perimenopause through to post-menopause. Unlike traditional capsules, it is available in a convenient powder format, and includes ingredients that support bone health, collagen production, thyroid function, stress resilience, and blood sugar balance.
- The launch marks the Group's entry into the well-ageing segment and reflects The Healthy Chef's product development capabilities. With over 6.7 million Australian women aged 40–60, this product addresses a defined market opportunity. Menopause+ may also form the basis for future product development focused on women's health across life stages.

** Australia Menopause Market Size & Outlook, 2024-2030. Grandview Research*



Margins, Operating Costs & Funding

- **Group gross margin was stable in Q2 FY25 at 35.9%** (Q1: 36.8%), with margin performance steady in Australia and slightly higher in the U.S. An improving channel mix, particularly toward e-commerce, is expected to support margin expansion in H2.
- Operating payments in Q2 remained high. Costs included seasonal inventory investment aligned with the annual harvest cycle for native ingredients and hemp. The Group is executing a rigorous cost containment program, including overhead reduction, SKU rationalisation, and supply chain optimisation, aimed at achieving profitability.
- Q2 operating cash outflows were \$757K. Cost and margin initiatives are expected to drive improved cash performance in the second half.

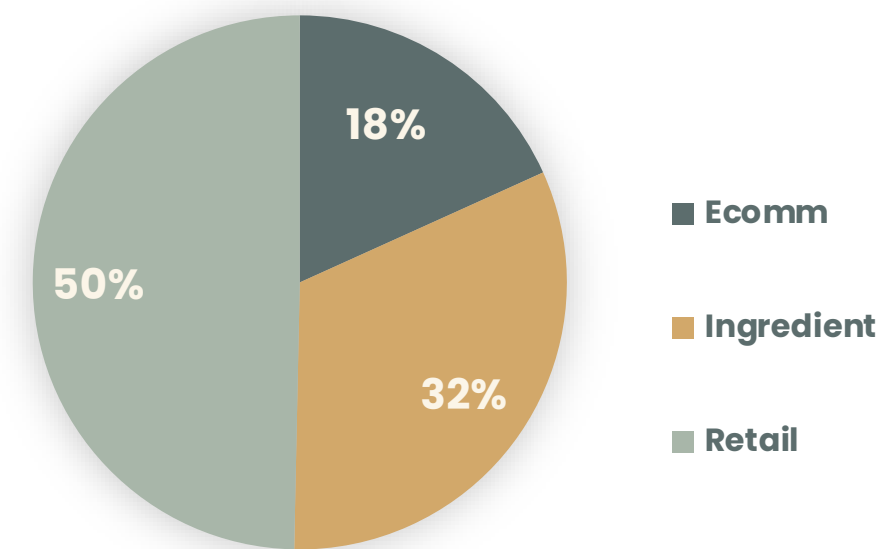
Funding position

- **Closing cash balance of \$1.1M as of 30 June 2025.**
- During the quarter, the Group raised \$150K in equity funding and secured a \$1.35M 12-month debt facility at an interest rate of 12% payable on maturity (31 May 2026). Existing finance facilities remain available, with \$155K undrawn at quarter end.

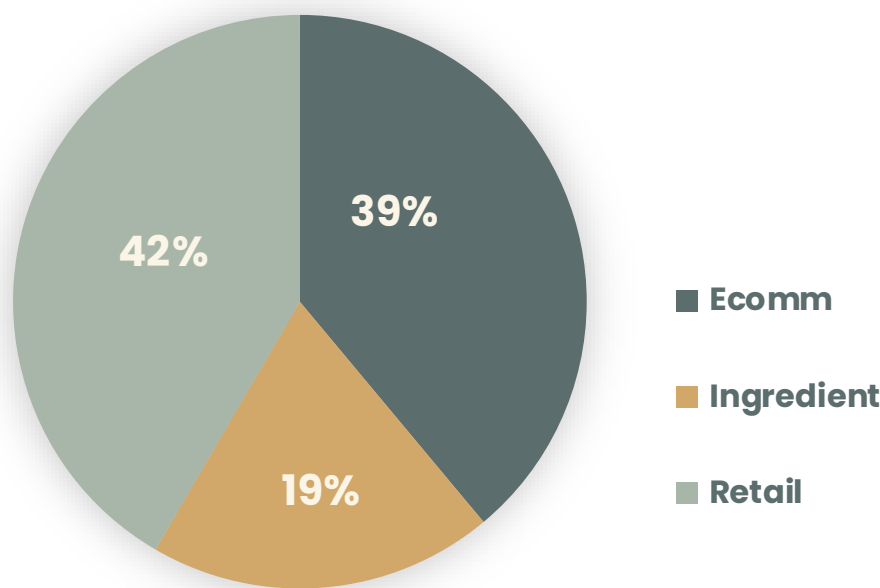
Related Party Statement

- Payments of \$109K were made to related parties during Q2 comprising fees and salary to the CEO/Executive Director and Non-Executive Directors.

Sales Mix 2024



Target Sales Mix 2025



H2 Strategic Imperatives

Operational efficiency and cost restructure

- The Company is finalising post-merger systems integration to eliminate duplication and unlock additional operating efficiencies. A restructure of the Australian business is also underway to simplify reporting lines and improve execution. Facility and supplier base optimisation initiatives are being implemented to reduce overheads and increase throughput.

Margin and portfolio optimisation

- Margin uplift in H2 will be driven by a strategic review of the Group’s product portfolio. Approximately 15% of SKUs are being rationalised to remove unprofitable lines and streamline operations. Promotional investment is also being recalibrated to defend margin while supporting volume growth.

Launch of high-potential innovations

- Three new **Healthy Chef protein waters** are scheduled for Q4 2025, leveraging growth in the functional hydration category. National rollout of **Soul Seed’s** healthy snacking range continues, positioning the brand in Australia’s \$1.7 billion better-for-you segment. Additional **Mt Elephant** innovations are planned for Q4, including a world-first sustainable pancake mix with pour-packaging and a co-branded cookie developed with PICS Peanut Butter.



Authorised for release by the EXL Board.

For further information please contact

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Note: None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis. This Report may include certain statements, estimates, or projections with respect to the anticipated future performance of the Group, and any ongoing or future projects. These statements, estimates or projections are based on assumptions about future events and management actions that may not necessarily take place and are subject to significant uncertainties. No representation is made as to the accuracy of those statements, estimates or projections.

About Elixinol Wellness

Elixinol Wellness Limited (ASX: EXL) is a leader in the global hemp industry, innovating, marketing, and selling hemp and other plant-derived food, skincare, and nutraceutical products:

In Australia, Elixinol Wellness operates a vertically integrated business which produces, manufactures, and distributes a range of highly complementary products delivered across four verticals – human nutrition, human wellness, pet wellness and superfood ingredients. These products are sold under brands including Hemp Foods Australia, Mt Elephant, The Healthy Chef, Ananda Food, Soul Foods and Field Day and are sold through grocery, wholesale, and e-commerce channels. The Australian Superfood Co also supplies Australian natives and superfood ingredients to white label customers as well as food, beverage, and beauty manufacturers.

Elixinol USA sells high quality Elixinol branded hemp and other plant-derived nutraceutical and skincare products. See more at www.elixinolwellness.com



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Elixinol Wellness Limited

ABN

34 621 479 794

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,343	7,947
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,828)	(4,853)
(c) advertising and marketing	(464)	(885)
(d) leased assets	(22)	(43)
(e) staff costs	(1,082)	(2,138)
(f) administration and corporate costs	(622)	(1,201)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	(117)	(207)
1.6 Income taxes paid/(received)	-	-
1.7 Government grants and tax incentives	11	23
1.8 Other – non recurring	23	(30)
1.9 Net cash from / (used in) operating activities	(757)	(1,383)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(5)	(13)
(j) investments	-	-
(k) intellectual property	(17)	(17)
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Cash acquired on equity settled business combination	-	-
2.6	Net cash from / (used in) investing activities	(22)	(30)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	150	150
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(12)
3.5	Proceeds from borrowings	1,214	1,398
3.6	Repayment of borrowings (leases)	(48)	(95)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	1,304	1,441

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	599	1,078
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(757)	(1,383)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(30)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,304	1,441
4.5	Effect of movement in exchange rates on cash held	(26)	(8)
4.6	Cash and cash equivalents at end of period	1,098	1,098

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,098	599
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,098	599

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	1,479	1,324
7.4	Total financing facilities		-
7.5	Unused financing facilities available at quarter end		155
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

A Trade Debtor Finance facility of up to \$1,500,000 and \$300,000 for Trade finance was established with Scottish Pacific Business Finance Pty Ltd ("ScotPac"), -on 20 December 2023. As of 30 June 2025, \$657,000 was drawdown against the Trade Debtor facility and \$199,000 against the Trade finance facility. The total amount available to drawdown was \$1,011,000. The interest rate on these facilities is 10.66% on drawn-down amounts and is secured against the assets of the Group's subsidiary, Elixinol Wellness (Byron Bay) Pty Ltd. The term of this facility is a minimum of two years from 20 December 2023.

On 11 March 2025, a PayPal Commerce Finance facility was established providing \$170,000 of access to e-commerce revenue in advance. As at 30 June 2025, the balance of this facility was \$48,000 with a term of 12 months with repayment of 30% of daily PayPal receipts. The interest rate is a fixed fee of 13.6% of the initial facility balance. The facility is secured against future PayPal receipts.

On 26 November 2024, an HCF Shopify Commerce Finance facility was established providing \$410,000 of access to e-commerce revenue in advance. As at 30 June 2025, the balance of this facility was \$311,000 with a term of 18 months with repayment of 17% of daily Shopify sales. The interest rate is a fixed fee of 7.4% of the initial facility balance. The facility is secured against future Shopify receipts.

On 19 February 2025, an APH Shopify Commerce Finance facility was established providing \$20,000 of access to e-commerce revenue in advance. As at 30 June 2025, the balance of this facility was \$11,500 with a term of 18 months. with a repayment of 21% of daily Shopify sales. The interest rate is a fixed fee of 10% of the initial facility balance. This facility is secured against future Shopify receipts.

On 31 January 2025, an HFA Shopify Commerce Finance facility was established providing \$94,000 of access to e-commerce revenue in advance. On 25 June 2025 a further \$60,000 was drawn down. As at 30 June 2025, the balance of this facility was \$98,000 with a term of 18 months with a repayment of 21% of daily Shopify sales. The interest rate is a fixed fee of 7.4% of the initial facility balance. This facility is secured against future Shopify receipts.

During the quarter, the Company received a 12-month \$1.35M via a secured debt facility with a maturity date of 31 May 2026 and at an interest rate of 12% payable on maturity. The security interest was granted by the Company's wholly owned US subsidiary (Elixinol LLC) over Elixinol LLC's (present and future) inventory, property, equipment and bank accounts in the United States.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(757)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,098
8.3	Unused finance facilities available at quarter end (item 7.5)	155
8.4	Total available funding (item 8.2 + item 8.3)	1,253
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.7

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

The Company expects underlying net operating cash outflows to improve during H2 2025. Margins and EBITDA are also anticipated to improve through overhead reduction, SKU rationalisation and supply chain/procurement optimisation.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Group has access to additional financing via e-commerce working capital funding and other existing facilities able to be re-drawn as required. The ScotPac trade debtor and inventory facilities will continue to support operations. The Group remains focused on achieving sustained profitability through margin-accretive revenue growth, disciplined cost control and enhanced capital management.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

The Company anticipates continuing operations and achieving its business objectives. It plans to continue to utilise funding through existing working capital facilities to support these goals. Importantly, it expects to reduce net cash outflows to achieve breakeven and profitability through strict cost containment and reduction.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 July 2025.....

Authorised by:By the Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.