

ASX ANNOUNCEMENT

Revenue growth, lower operating cost base and underlying operating cash flow positive for the quarter

29 January 2026, Melbourne: Elixinol Wellness Ltd (ASX: EXL) ("**EXL**," "**Elixinol**," or "**the Company**"), a leading sustainable nutrition and wellness company, is pleased to report its December 2025 quarterly activity report and Appendix 4C ("Q4 FY25").

Key Highlights

- **Q4 FY25 revenue of \$4.1 million, up 9.5% QoQ**, reflecting a seasonally strong quarter
- **Revenue for FY25 increased compared to FY24**, supported by successful Healthy Chef acquisition
- **Diversified revenues through e-commerce sales of Healthy Chef**, up 42% in Q4 FY25 compared to Q4 FY24, at higher margins due to product innovation in high growth categories
- **Re-established dominant position as trusted Hemp supplier to Australian retailers** and expanded supply relationships into private labels, with significant expansion in contracted supply volumes
- **Strategic focus on higher-margin sales**, with effective transition to streamlined SKUs across retail brands
- **Structural reduction in cost base and clear path to profitability**, with a decrease in the operating cost base of approximately 30% in Q4 FY25 v Q4 FY24, with an ongoing opex run-rate expected to be lower than historical levels
- **Underlying operating cash flow positive¹ for the quarter**, following structural cost reduction initiatives to lower the operating cost base
- **Solid foundation for organic growth and M&A opportunities to scale the business**

Natalie Butler, CEO and Executive Director, commented, "*I am pleased to deliver these strong quarterly operating results, with revenue growth and gross margin expansion on a structurally lower cost base. We are now seeing the benefits of our disciplined cost control and relentless focus on operational efficiency, including working constructively with key stakeholders to renegotiate and expand supply contracts.*"

¹Underlying operating cash flow excludes finance costs, payments for income taxes and other items (out of cycle payments and non-recurring items). Results are unaudited and subject to review.

The Healthy Chef acquisition has effectively diversified our revenues across e-commerce channels, which are higher margin and complementary to traditional retail channels. We enter 2026 with a stronger foundation, and although Q1 FY26 is a seasonally weaker quarter, we remain optimistic about the scalability and profitability of our business model moving forward."

Q4 FY25 Overview

Elixinol generated revenue of \$4.1m in Q4 FY25, up 9.5% quarter-on-quarter, supported by marketing activity in a seasonally strong quarter. FY25 revenue of \$15.5 million was up 3.6% year-on-year, reflecting portfolio rationalisation and a deliberate focus on higher-margin sales.

Diversified revenues through e-commerce sales of Healthy Chef

The Healthy Chef revenue was up 42% for the quarter compared to Q4 FY24 and 24% for the full year on a pro forma basis, reflecting seasonal demand and targeted digital activity to support innovative products in high-growth categories.

Protein Water gained further traction and contributed to positive brand growth during the quarter. Demand for lighter protein formats supported Healthy Chef's portfolio mix along with an ongoing focus on premium functional nutrition.

The launch of Metabolic Burn has been rescheduled to the first quarter of CY2026 following a review of launch conditions. This Q1 launch should enable stronger consumer engagement outside the Cyber sales period, supporting premium positioning.

During Q4, a limited-edition Salted Caramel flavour was launched across WPI and Organic Pea Protein formats. Early customer response and sales performance has been positive, reinforcing the role of flavour-led innovation in driving engagement.

Re-established dominant position as trusted Hemp supplier to Australian retailers

In the past quarter, Elixinol re-established its position as the dominant and trusted supplier of hemp to Australian retailers and expanded supply relationships into private labels with significant expansion in contracted supply volumes.

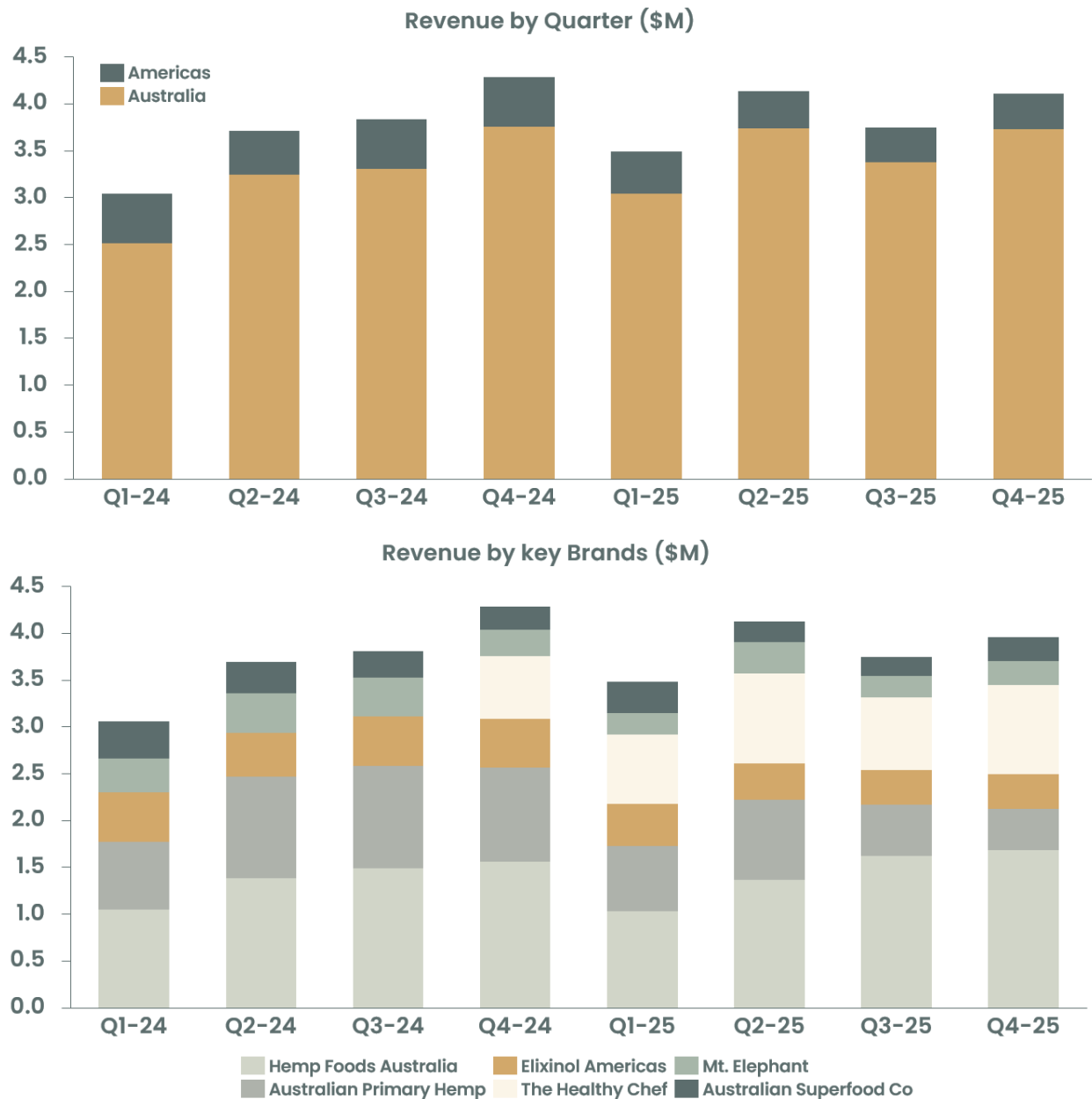
Hemp Foods Australia continued to outperform, with a record sales quarter. Australian Primary Hemp secured an expanded supply agreement to service an existing major grocery chain, extending and deepening the relationship for a further year. Together with existing distribution across the other major retailer and Costco, the business continues to lead the domestic hemp ingredients market, supporting scale and continuity.

Strategic focus on higher-margin sales

As well as improved margins across Hemp Foods Australia and The Healthy Chef, the reset for the Mt Elephant brand is starting to take shape. Elixinol is progressing a deeper commercial relationship with one major retailer to bring three new Mt Elephant products to market in 2026. Product

development is focused on differentiated innovation, sustainability, and flavour- and convenience-led formats to improve competitiveness in the mainstream grocery category.

Mt Elephant's distribution footprint will change following the exit from another grocery partner. Elixinol will now concentrate its brand and execution focus behind a single major retail partner, supported by an established customer base, while also planning a renewed focus on independent grocery channels. This approach is intended to support more consistent in-store execution and more targeted deployment of marketing activity.



Structural reduction in cost base and clear path to profitability

In Q4 FY25, operating costs reduced by approx. 30%, with an ongoing opex run-rate expected to be lower than historical levels.

Elixinol continued to improve gross margins through a deliberate shift towards higher-margin product and channels. Gross margin increased by 100 bps in Q4 FY25 compared to Q4 FY24, reflecting disciplined portfolio management and reduced exposure to lower-margin contracts and SKUs. The increased contribution from e-commerce and core brands also continued to support margin improvement and reduce reliance on traditional retail channels.

FY25 gross profit was up 5.4% year-on-year, demonstrating operating leverage from improved margins.

A cloud upgrade to the financial TM1 system project became operational during Q4, supporting improved financial reporting and cost control.

Elixinol now has a clear path to profitability, based on revenue momentum and margin expansion and a structural reduction in the fixed cost base

First underlying operating cash flow positive quarter¹

In Q4 FY25, Elixinol achieved a major operating milestone, the first underlying operating cash flow positive quarter. This reflects additional structural cost reduction initiatives which were accelerated in Q3 FY25 to lower the ongoing operating cost base.

Cash receipts from customers in Q4 FY25 of \$4.2 million, were up \$0.7 million on Q3, supported by seasonal promotional activity. Cash receipts for FY25 were \$16 million, up 5% year-on-year, supported by improved customer payment cycles and strengthened working capital management.

The operating cash out flow reduced to \$0.65 million in Q4 FY25, a material improvement on the prior quarter. On an underlying basis, the business achieved positive operating cash flow in Q4, excluding finance costs and other non-recurring items.

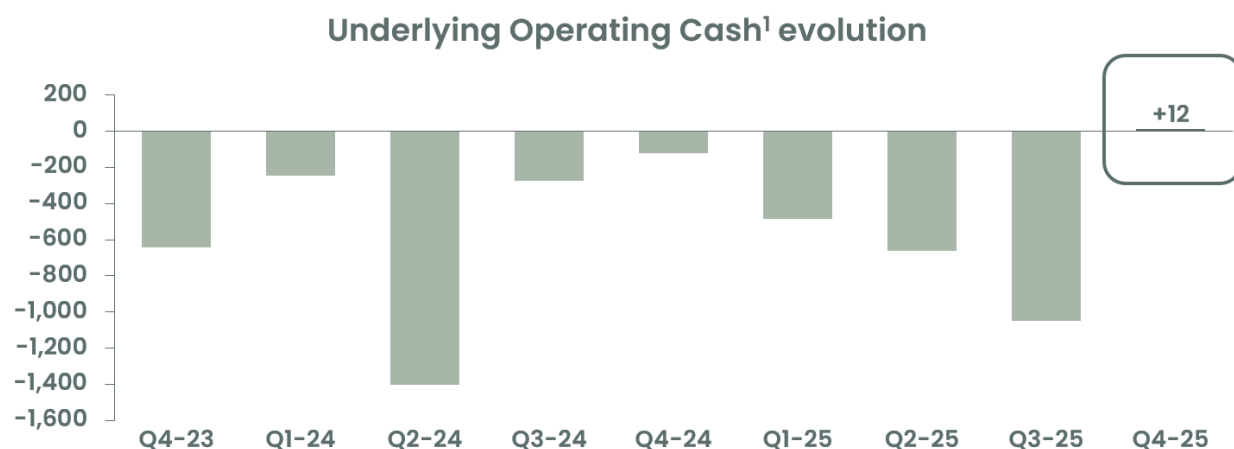
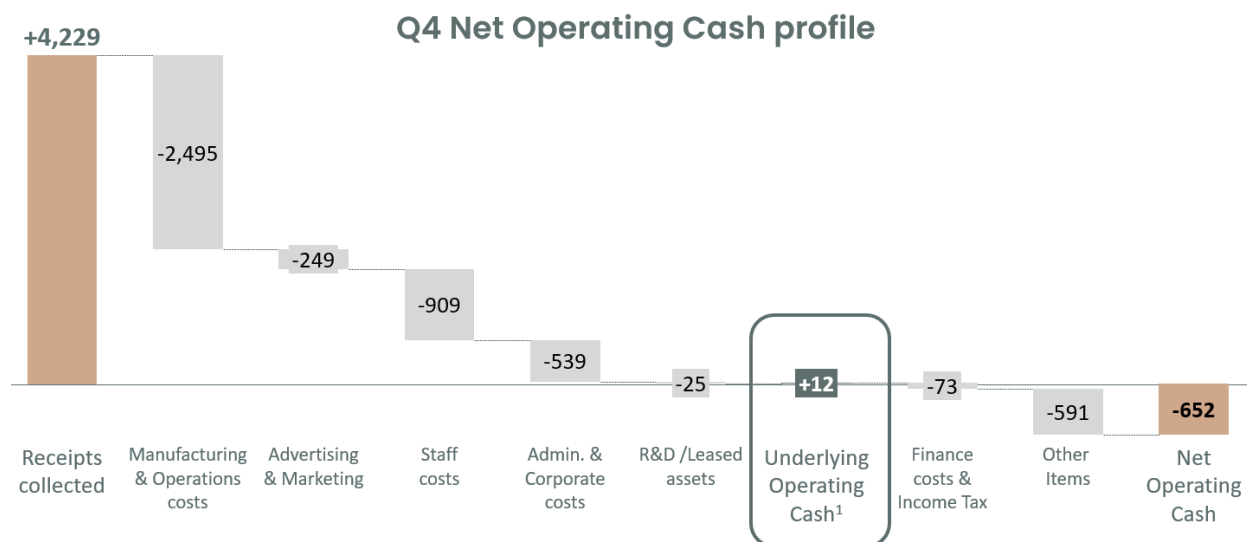
Structural cost reductions were implemented in Q3 across staffing, marketing and corporate overheads, thus lowering the ongoing cost base. These actions have materially reduced the cash burn and support a sustainable position as revenue scales.

The Healthy Chef vendors also agreed to reduce Elixinol's future earn-out obligations by A\$1.0 million. The revised terms reduce contingent liabilities and strengthen liquidity. A deferred consideration payment of \$117,000 was made in Q4.

Elixinol completed a two-tranche capital raise totalling \$2.5 million, with \$0.6 million received in Q3 and the balance in Q4. Working capital lines continue to support the operational needs of the business.

The cash balance as at 31 December 2025 was \$1.4 million.

Related party payments of \$0.1 million were made during Q4, comprising Director fees and executive remuneration.



Gavin Evans, Chair, commented, “Over the past quarter, we have been laser focused on operational efficiency in order to build a solid foundation for our next phase of growth. I am delighted that our Q4 FY25 results demonstrate the substantial progress that we have made in expanding key retail contracts, diversifying revenues, expanding gross margins and lowering our cost base.

We are building a leadership position as a trusted supplier in the health & wellness segment, and we are excited about opportunities for both organic and inorganic growth moving forward.”

Quarterly business update overview: To watch an accompanying overview of the quarterly business update, and ask any questions, please visit the [Elixinol Wellness Investor Hub](https://elixinolwellness.com/investor-hub).

Authorised for release by the Board of Elixinol Wellness Limited

For further information, please contact:

Natalie Butler, CEO & Executive Director
natalie.butler@elixinolwellness.com

About Elixinol Wellness

Elixinol Wellness Limited (ASX: EXL) is a leading global health and wellness company, innovating, marketing, and selling hemp and other plant-derived food, skincare, and nutraceutical products.

In Australia and the USA, Elixinol Wellness operates a vertically integrated business producing, manufacturing, and distributing a range of complementary products across key verticals – including nutrition, wellness and superfood ingredients. These products are sold under brands including **Hemp Foods Australia, The Healthy Chef, Mt Elephant and The Australian Superfood Co**, through grocery, wholesale, and e-commerce channels.

Elixinol USA sells high quality Elixinol branded hemp and other plant-derived nutraceutical and skincare products.

To find out more, please visit www.elixinolwellness.com or the Elixinol Wellness Investor Hub <https://investorhub.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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,229	15,979
1.2 Payments for		
(a) research and development	(10)	(62)
(b) product manufacturing and operating costs	(2,495)	(10,148)
(c) advertising and marketing	(249)	(1,465)
(d) leased assets	(15)	(74)
(e) staff costs	(909)	(4,124)
(f) administration and corporate costs	(539)	(2,317)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	8
1.5 Interest and other costs of finance paid	(73)	(343)
1.6 Income taxes paid/(received)	(2)	(2)
1.7 Government grants and tax incentives	-	23
1.8 Other – non recurring	(591)	(781)
1.9 Net cash from / (used in) operating activities	(652)	(3,306)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	(117)	(117)
(i) property, plant and equipment	-	(13)
(j) investments	-	-
(k) intellectual property	(11)	(46)
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(128)	(176)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,816	2,598
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	(79)	(142)
3.5	Proceeds from borrowings	131	1,559
3.6	Repayment of borrowings (leases)	(50)	(194)
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	1,818	3,821

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	373	1,078
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(652)	(3,306)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(128)	(176)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,818	3,821
4.5	Effect of movement in exchange rates on cash held	1	(5)
4.6	Cash and cash equivalents at end of period	1,412	1,412

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	1,412	372
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)	1,412	372

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	103
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)	3,333	3,263
7.4	Total financing facilities	3,333	3,263
7.5	Unused financing facilities available at quarter end		70
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 31 December 2025, \$629,000 was drawdown against the Trade Debtor facility and \$310,000 against the Trade finance facility. The total amount available to drawdown was \$930,000. 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 24 April 2025, an HCF Shopify Commerce Finance facility was established providing \$200,000 of access to e-commerce revenue in advance. As at 31 December 2025, the balance of this facility was \$22,000 with a term of 18 months with repayment of 17% of daily Shopify sales. The interest rate is a fixed fee of 10% of the initial facility. The facility is secured against future Shopify receipts.

During Q2 2025, the Company received \$1.35M via a 12-month 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.

On 25 June 2025, an HFA Shopify Commerce Finance facility was established providing \$60,000 of access to e-commerce revenue in advance. As at 31 December 2025, the balance of this facility was \$36,000 with a term of 18 months with a repayment of 14.5% of daily Shopify sales. The interest rate is a fixed fee of 9.5% of the initial facility balance. This facility is secured against future Shopify receipts.

On 17 July 2025, a TASCO Shopify Commerce Finance facility was established providing \$22,000 of access to e-commerce revenue in advance. As at 31 December 2025, the balance of this facility was \$14,000 with a term of 18 months with a repayment of 17% of daily Shopify sales. The interest rate is a fixed fee of 15.3% of the initial facility balance. This facility is secured against future Shopify receipts.

On 17 July 2025, a second APH Shopify Commerce Finance facility was established providing \$14,000 of access to e-commerce revenue in advance. As at 31 December 2025, the balance of this facility was \$14,000 with a term of 18 months with a repayment of 25% of daily Shopify sales. The interest rate is a fixed fee of 10.1% of the initial facility balance. This facility is secured against future Shopify receipts.

On 28 August 2025, a PayPal Commerce Finance facility was established providing \$220,000 of access to e-commerce revenue in advance. As at 31 December 2025, the balance of this facility was \$94,000 with repayment of 30% of daily PayPal receipts. The interest rate is a fixed fee of 11.5% of the initial facility balance. The facility is secured against future PayPal receipts.

On 30 December 2025, a second HCF Shopify Commerce Finance facility was established providing \$420,000 of access to e-commerce revenue in advance. As at 31 December 2025, the balance of this facility was \$458,000 with a term of 18 months with repayment of 17% of daily Shopify sales. The interest rate is a fixed fee of 9% of the initial facility. The facility is secured against future Shopify receipts.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(652)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,412
8.3	Unused finance facilities available at quarter end (item 7.5)	70
8.4	Total available funding (item 8.2 + item 8.3)	1,482
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.3
<i>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.</i>		
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?	
	N/A	
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?	
	N/A	
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?	
	N/A	
<i>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.</i>		

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:29 January 2026.....

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.