

ASX ANNOUNCEMENT

Repositioned for sustainable growth and margin expansion

27 February 2026, Melbourne: Elixinol Wellness Ltd (ASX: EXL) ("**EXL**," "**Elixinol**," or "**the Company**"), a leading sustainable nutrition and wellness company, is pleased to report its full year results for the financial year ending 31 December 2025 ("FY25").

Key Highlights

- **FY25 revenue of \$15.5m**, up 3.6% YoY, with steady revenue growth of 8% in Australia, partially offset by weaker revenue in the US.
- **Increase in higher-margin e-commerce sales in Australia** to \$4.3m, up from \$1.6m in FY24, primarily driven by The Healthy Chef acquisition.
- **Gross margin expansion to 39%**, up from 38% in FY24, reflecting focus on higher margin categories and channels. Gross margins increased to 42% in Q4 FY25.
- **Adjusted EBITDA loss of \$3.4m**, up from \$3.0m in FY24, with operating expenses up 8% YoY, largely due to one-off costs in integrating acquisitions and streamlining operations during the first half of 2025 (1H FY25).
- **Repositioned for sustainable growth**, with a 30% decrease in the Group's operating cost base in Q4 FY25 compared to Q4 FY24. Adjusted EBITDA was positive in Q4 FY25.
- **Net loss after tax of \$5.5m**, compared to a net loss after tax of \$1.7m in FY24, which benefited from a one-off tax benefit of \$3.6m.
- **Reduction in net cash used in operation activities to \$3.2m**, down from \$3.5m in FY24, and underlying operating cash flow positive¹ in Q4 FY25.
- **Cash balance of \$1.4m**, compared to \$1.1m in the prior year.
- **Solid foundation for organic growth and M&A opportunities to scale the business.**

Natalie Butler, CEO and Executive Director, commented, *"2025 was a year of operational change as we integrated the mergers completed in 2024 and simplified the structure of the business. Our focus was on strengthening the foundations – streamlining operations, refining our brand portfolio and concentrating resources on the areas with the greatest long-term potential."*

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.

We also continued to invest in product innovation with our strongest brands within the growing health and wellness category. With the majority of restructuring now complete, we enter 2026 as a leaner business with a stronger portfolio of brands and clear opportunities for growth in the health and wellness category.”

FY25 Financial Overview

Elixinol revenue increased 3.6% to \$15.5m in FY25 (FY24: \$15.0m). Revenue in Australia increased 8% to \$13.9m (FY24: \$12.9m), primarily due to higher e-commerce sales. This was partially offset by weaker growth in US revenue to \$1.6m (FY24: \$2.1m) as a result of legislative changes limiting the branding of CBD products.

Revenue from higher-margin e-commerce channels in Australia increased by 163% to \$4.3m (FY24: \$1.6m), primarily due to the full year contribution from The Healthy Chef and six new Healthy Chef product launches. Revenue in Australia from retail channels decreased by 19% to \$7.1m (FY24: \$8.8m), reflecting lower sales from SKU rationalisation through Australian retailers.

The strategic focus on higher margin categories and channels led to an increase in average gross margin to 39% (FY24: 38%). In 1H FY25, gross margins were under pressure largely due to legacy contracts and unprofitable products impacted by global ingredient pricing. These pressures eased progressively through the year, with gross margin improvement achieved quarter-on-quarter. Gross margins in Q4 increased to 42%.

The adjusted EBITDA loss of \$3.4m (FY24: \$3.0m), included an 8% increase in operating expenses, largely due to one-off costs in integrating acquisitions and streamlining operations. The cost base reset and contract renegotiations completed in 2025 ensure the business enters 2026 structurally leaner, with improved margin quality and significantly less operational drag. The operating cost base in Q4 FY25 was 30% lower compared to Q4 FY24 and adjusted EBITDA was positive in Q4 FY25.

Net loss after tax of \$5.5m (FY24: \$1.7m) was an increase on the prior year, noting that there was a one-off tax benefit of \$3.6m recorded in FY24.

There was a reduction in net cash used in operation activities to \$3.2m, down from \$3.5m in FY24, and the business generated positive underlying operating cash flow in Q4 FY25.

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

Capital Management

Elixinol completed a \$1.5m debt and equity raise in 1H FY25 and a two-tranche capital raising totalling \$2.5m in 2H FY25, strengthening the balance sheet and providing the financial flexibility to execute the growth strategy.

FY25 Operations Overview

2025 was a year of reset. Following a merger, two acquisitions, and associated cost expansion, the focus shifted to rebuilding a sustainable cost base and improving margin quality. While retail market conditions were challenging, the business exited the year in a stronger operational and financial position, setting up improved profitability in 2026.

The Healthy Chef

Innovation and marketing investment remained concentrated on The Healthy Chef, which delivered strong growth throughout the year. The brand's predominantly e-commerce model and high-margin profile helped underpin group performance during a difficult retail environment.

Six new products were launched in 2025, including one menopause-focused product, three new protein waters and two limited-edition protein powders.

Healthy Chef continues to demonstrate strong momentum, supported by consistent marketing, innovation-led growth, and a highly engaged customer base.

Hemp Foods Australia

Elixinol's flagship brand, Hemp Foods Australia was relatively flat in 2025 compared to 2024. This result was encouraging given the prior year benefited from an unusually large innovation pipeline and the presence of Hemp Gold Protein in Costco.

Despite flat revenue, margins improved over the quarters as the brand refocused on higher-margin products and channels. This strategic shift strengthened the quality of earnings and positions the brand well for future growth.

Elixinol USA

Sales in 2025 were subdued as the US CBD category continued to face regulatory uncertainty. Market conditions remained difficult, limiting the ability to confidently scale marketing or launch new initiatives. During the year, significant groundwork was completed, including a full brand refresh and the development of new products. Implementation was deliberately paused while greater clarity on regulatory and market conditions was sought. Strategic options, including divestment and reinvestment for growth were actively assessed, with major decisions placed on hold pending improved visibility.

With increasing confidence across the US CBD sector that legislative updates are approaching, the business has now moved forward with the rebrand. Rollout is scheduled for Q1, alongside the first wave of new innovation, positioning Elixinol USA to respond quickly as market conditions stabilise.

Contract Manufacturing and Bulk Ingredients

In 2025, some hemp-related contracts were reduced and two key customers discontinued SKUs containing superfood ingredients. This contraction has since reversed. Expanded supply contracts have been secured for 2026, returning hemp to a growth trajectory for the Company.

In parallel, new opportunities are progressing across the Australian Superfood Co. portfolio.

Mt Elephant

As a purely grocery retail brand, Mt Elephant was most impacted by supermarket rationalisation of smaller brands. At the end of 2025 the brand exited Woolworths with the focus for 2026 being exclusively on Coles.

While this creates a short-term revenue impact, it simplifies the growth strategy and allows the brand to concentrate its highly loyal customer base within one retailer. Work is underway with Coles on genuine innovation across flavour, format & sustainability, aimed at growing the category rather than competing within it. This reset is expected to be the launchpad for renewed growth.

Outlook

Gavin Evans, Chair, commented, *“FY25 was a transformational year for the Company, with a deliberate reset of the operating model and a sharper strategic focus. Revenue growth, margin improvement, a significantly reduced cost base and positive underlying cash flow in Q4 demonstrate that the transformation is delivering tangible results.*

We enter FY26 with a more disciplined, capital efficient and diversified business, in the high-growth categories of nutrition, wellness, superfood ingredients and hemp-based nutraceuticals. We are well positioned to deliver sustainable growth and improved profitability in FY26 and beyond.

We have a vision to build a portfolio of premium branded health food assets, with Australian manufacturing capabilities and global growth potential. We are actively assessing value-accretive M&A opportunities that can scale the business, broaden distribution or add complementary product capabilities, while maintaining a disciplined approach to capital deployment.

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](#).

Authorised for release by the Board of Elixinol Wellness Limited

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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>