Elixinol Wellness

ASX ANNOUNCEMENT 31 August 2026 | ASX: EXL

EXL Announce Transformational H1 Results

Elixinol Wellness Limited (ASX: EXL) has reported a materially improved operating result for H1 FY26. Revenue from continuing operations increased +5.8% to $7.2M, gross margin expanded to 43% from 33%, and operating expenses reduced 25% to $3.3 million. This drove a $2.0 million reduction in Adjusted EBITDA[1] loss to $0.1 million, from $2.1 million in H1 FY25. Strong double-digit revenue growth across The Healthy Chef, Hemp Foods Australia and Australian Primary Hemp Ingredients, combined with a stronger product and channel mix and a lower operating cost base, underpinned the improvement.

H1 2026 Financial Highlights

Revenue Growth: Revenue from continuing operations increased **+5.8%** to **$7.2M** (H1 FY25: $6.8M).

Margin Expansion: Gross margin increased to **43%**, up from 33% in H1 FY25, reflecting a greater contribution from higher-margin brands and an improved product and channel mix.

Lower operating cost base: Operating expenses reduced by **$1.1M** or **25%** to $3.3M (H1 FY25: $4.4M).

Adjusted EBITDA[1]: The loss narrowed by **$2.0M** to **$0.1M** (H1 FY25: $2.1M loss).

Statutory Result: $2.0M improvement in Net loss after tax to **$1.1M** (H1 FY25: $3.1M), including a **$0.1M** loss from the discontinued US business.

Operating Cash Flow: Net operating cash outflow reduced by **$0.7M** or **49%**, to **$0.7M** (H1 FY25: $1.4M), despite no repeat of the $0.5M insurance recovery received in H1 FY25.

Growth led by the Australian portfolio

Revenue growth was led by three core businesses, each delivering strong double-digit growth:

- **The Healthy Chef:** Revenue increased **$0.4M (+22%),** supported by retail growth and Priceline activation.
- **Hemp Foods Australia:** Revenue increased **$0.4M (+14%),** with gross margins improving to **48%**.
- **Hemp Ingredients:** Revenue increased **$0.2M (+16%),** with gross margins improving to **38%**.

The three core growth businesses delivered revenue growth more than three times the approximately **4%**[2] sales growth reported by Australia's major supermarkets, despite continued cost-of-living pressure.

[1] EBITDA from continuing operations adjusted for non-operating transactions comprising non-recurring restructuring, business integration and other one-time expenses that are not considered reflective of the underlying operating performance of the business.

[2] Sources: Coles Group FY26 Results Release; Woolworths Group FY26 Full Year Results Announcement

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A simpler, more focused Group

US Divestment: The Group has today executed an agreement to sell the assets of its US business. Completion remains subject to customary conditions precedent. The divestment will simplify the Group and allow it to focus resources on its core Australian health and wellness portfolio.

Capital Position: Closing cash was **$1.0M** at 30 June 2026 (H1 FY25: $1.1M). Following period end, the Group has closed the Convertible Note offer approved at the 27 May 2026 AGM, with subscriptions totalling **$1,055,000** received as at the date of this announcement. This included **$755,000** of the secured loan balance transferring into the Convertible Note offer. No equity capital raising has been implemented as at the date of this announcement.

Going Concern: As in prior periods, the Interim Report discloses a material uncertainty in relation to going concern. The Directors have prepared the financial statements on a going concern basis, having regard to the Group's cash flow forecasts, the Convertible Note offer, and the expected proceeds from the US divestment. Refer to Note 2 of the Interim Report.

H2 FY26 priorities and outlook

Elixinol enters H2 FY26 with stronger margins and a materially lower operating cost base. Near-term priorities are completing the US divestment, sustaining the improvement in operating cash flow and driving growth through new retail distribution, product launches and additional B2B contracts. The Group continues to assess strategic M&A opportunities that can utilise its existing infrastructure, capabilities and distribution channels.

Authorised for release by the Board of Elixinol Wellness Limited

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About Elixinol Wellness

Elixinol Wellness Limited (ASX: EXL) is a sustainable nutrition and wellness company operating across Australia and the USA. The Company produces, manufactures, and distributes a range of complementary products spanning key verticals including nutrition, wellness, and superfood ingredients.

In Australia, Elixinol Wellness operates a vertically integrated healthy food business. Its major retail brands include The Healthy Chef, Hemp Foods Australia and Mt Elephant, alongside ingredient brands Australian Primary Hemp and The Australian Superfood Co. Products are sold through grocery, wholesale, and e-commerce channels.

To find out more, please visit **www.elixinolwellness.com** or the Elixinol Wellness Investor Hub.