



# Q1 Activities Report & Appendix 4C

Period Ended 31 March 2025



Elixinol

Wellness

A Sustainable Nutrition Company

# Q1 FY25 Overview



- **Revenue growth year-on-year, but softer versus record Q4:** Revenue of **\$3.5M**, up **13.7%** on Q1 FY24, but **18.7% lower than Q4** FY24's **record \$4.3M**, reflecting timing delays and retail range rationalisation.
- **Ecommerce momentum maintained:** Ecommerce business delivered strong results, supporting a stronger second half outlook.
- **Temporary increase in operating expenses:** Additional costs associated with **The Healthy Chef team integration, Ananda facility closure**, and **team restructuring**.
- **Gross margin impacted by legacy factors:** Group margin of **37% in Q1** down from **40% last quarter** impacted by higher promotional rebates and clearance of legacy SKUs. Improvement expected to 43%–45% over the remainder of 2025.
- **Transition completed:** Structural realignment concluded, establishing a **strong foundation** for the next phase of growth **and enhanced commercial execution**.
- **Disciplined cash management:** Net operating outflow of \$626K in Q1, with **closing cash of \$599K**. Cost-saving initiatives underway to strengthen cash position from Q2 FY25.
- **Growth initiatives progressing:** Five new Healthy Chef products in production; U.S. market reactivation and Soul Seed expansion are expected to drive growth and margin improvement in H2 2025.





# Elixinol Wellness: Q1 Revenue & Receipts

Elixinol Wellness Ltd (ASX:EXL) provides its Activities Report and Appendix 4C for the quarter ending 31 March 2025

## Softer Quarter: Growth and Margin Recovery Underway

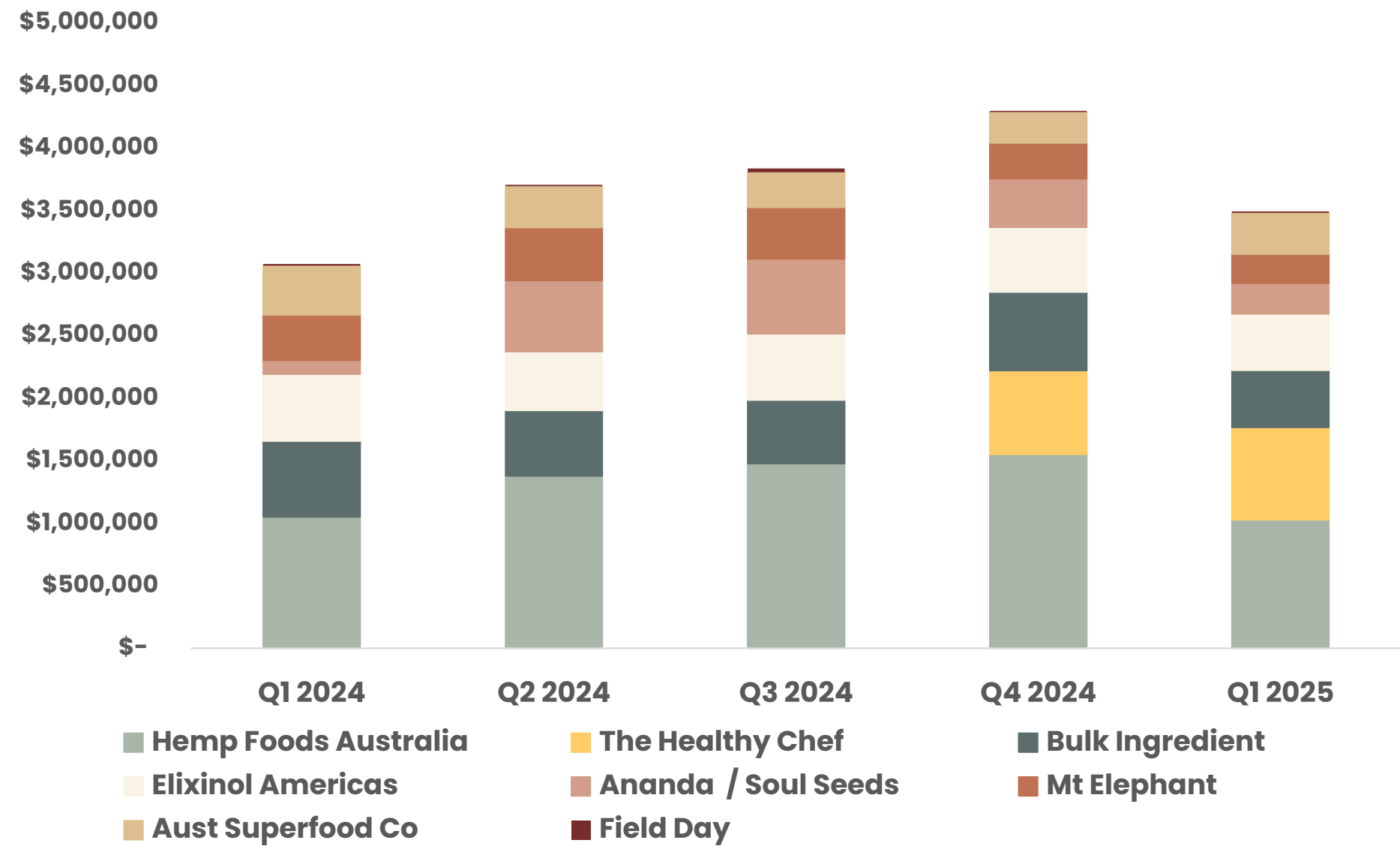
- **Revenue and receipts up year-on-year despite softer Q1:** Group revenue for Q1 FY25 was \$3.5M, up 13.7% on Q1 FY24, though 18.7% lower than Q4 FY24's record. Customer receipts of \$3.6M also rose \$660K year-on-year, reflecting sustained underlying demand.
- **Temporary Impacts on Q1 performance:** Revenue was temporarily impacted by **delayed ranging of new SKUs** across The Healthy Chef and Mt Elephant brands, **retail range rationalisation**, and the timing of **promotional rebate recognition**.
- **Rebound expected in Q2:** Strong **pipeline of activity** with **margin improvements** already emerging, supported by **ecommerce growth**, streamlined product ranges, and phasing out of low-margin SKUs. to drive **margin-accretive growth**.
- **Cost discipline** also remains a key priority for 2025.



# Q1 Revenue by Brand

- **Healthy Chef:** Revenue of **\$738K**, driven by **strong March results** following a refreshed digital strategy. **Five new SKUs** are in production and **expected to launch from May 2025**.
- **Hemp Foods Australia (HFA):** Revenue of **\$1.03M down \$520K from Q4 FY24**, primarily due to delayed ranging of new SKUs and the phasing out of Hemp Gold Protein at Costco in January. **Ecommerce initiatives** are helping offset softness, with **order flow expected to return to Q4 levels from Q2 FY25**.
- **Mt Elephant** revenue of **\$233K**, reflects **grocery SKU reductions and seasonal softness** in baking categories. However, core SKU distribution in Coles and Woolworths has been maintained. Expansion into independent channels is also helping to drive growth from Q2 onwards.
- **Elixinol USA:** Revenue of **\$451K**, with **gross margins** maintained above **61%**. The U.S. business has stabilised with growth initiatives beginning to drive renewed revenue momentum.
- **Bulk Ingredients:** Revenue of **\$456K** with softer performance due to increased competition from **lower-cost hemp** impacting average pricing.
- **Aust Superfoods:** Revenue of **\$330K**. Best performance in, two quarters, driven by the deployment of a dedicated sales resource and execution of strategic growth initiatives.

Sales Revenue by Brand

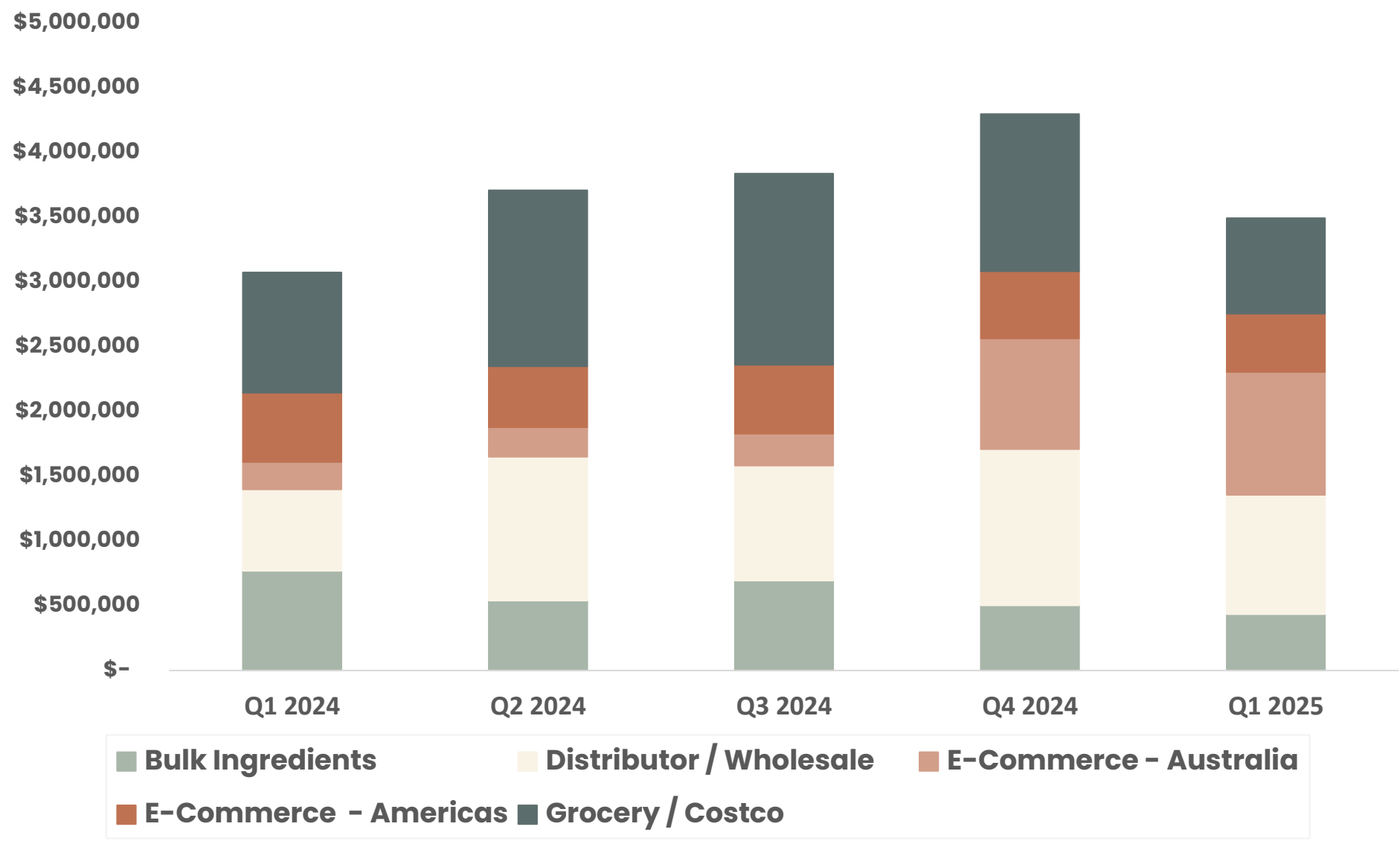


# Channel Dynamics– Q1

Direct-to-Consumer (DTC) channels continue to outperform, reducing reliance on traditional retail where market pressures are more pronounced. Growth in the U.S. and Healthy Chef brands is expected to be margin-accretive throughout 2025.

- **E-commerce:** Continued strong growth, supported by The Healthy Chef acquisition. Ecommerce margins remain robust, with digital optimisation initiatives delivering positive traction for Elixinol USA.
- **Grocery:** A softer quarter reflecting a Coles reorder gap for Hemp Foods Australia (HFA) and SKU reductions for Mt Elephant. New Hemp HFA SKUs are scheduled to range from April/May, while Costco’s phasing-out of Hemp Gold Protein post-Q4 impacted Q1 results.
- **Distributor/Wholesale:** Reduced Q1 orders following heavy promotional activity in Q4. Recovery is anticipated in Q2.
- **Bulk Ingredients:** TASC0's performance improved in Q1, reflecting **early gains** from a strengthened sales function and the implementation of its targeted 2025 growth strategy.

Sales Revenue by Channel



## Margin Uplift Underway

- **Group gross margin of 37% in Q1 FY25** (40% in Q4 FY24), reflecting higher promotional rebates and the final sell-through of legacy low-margin Mt Elephant products. **Margin improvement** is expected each quarter through 2025, supported by a **shift** towards **higher-margin ecommerce sales**, refined pricing strategies, and enhanced procurement efficiencies.
- **Q1 operating costs were temporarily elevated** due to non-recurring closure and redundancy costs, and a full quarter of the integrated Healthy Chef team. These non-recurring expenses, combined with ongoing streamlining initiatives, are expected to materially reduce the Group’s operating cost base from Q2 FY25 onwards.

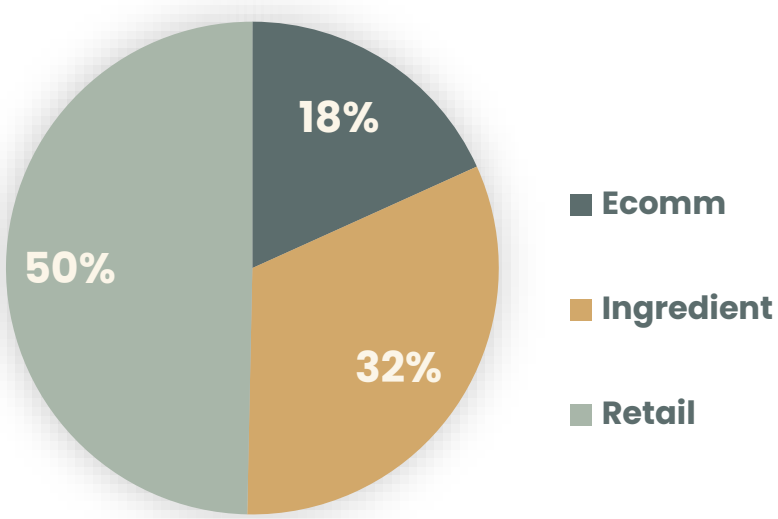
## Funding position

- **Cash balance:** Closing cash balance of **\$599k** at 31 March 2025.
- **Access to finance:** The Group has secured access to additional financing, including trade debtor facilities and working capital loans via e-commerce platforms, supporting inventory growth and operational scaling. The Company remains focused on achieving sustained profitability through margin-accretive revenue growth, disciplined cost control, and enhanced capital management.

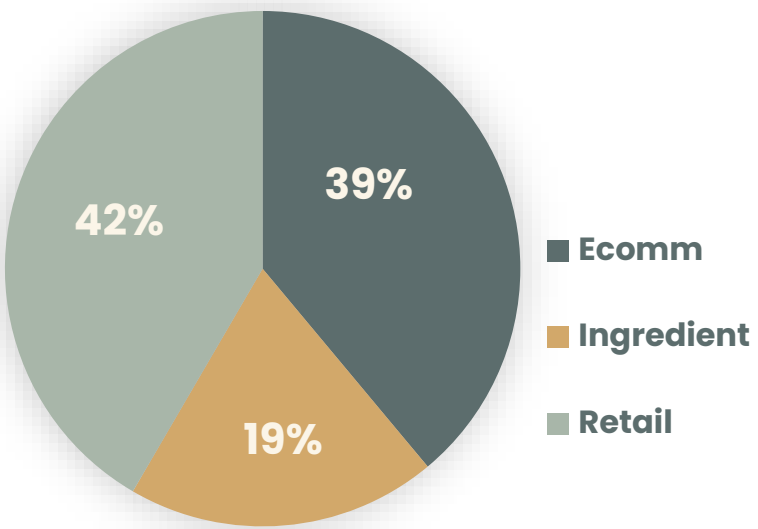
## Related Party Statement

- Payments of \$141K were made to related parties during Q1, comprising fees and salary to Directors. EXL’s Non-Executive Directors continue to undertake additional duties as the Group continues restructuring.

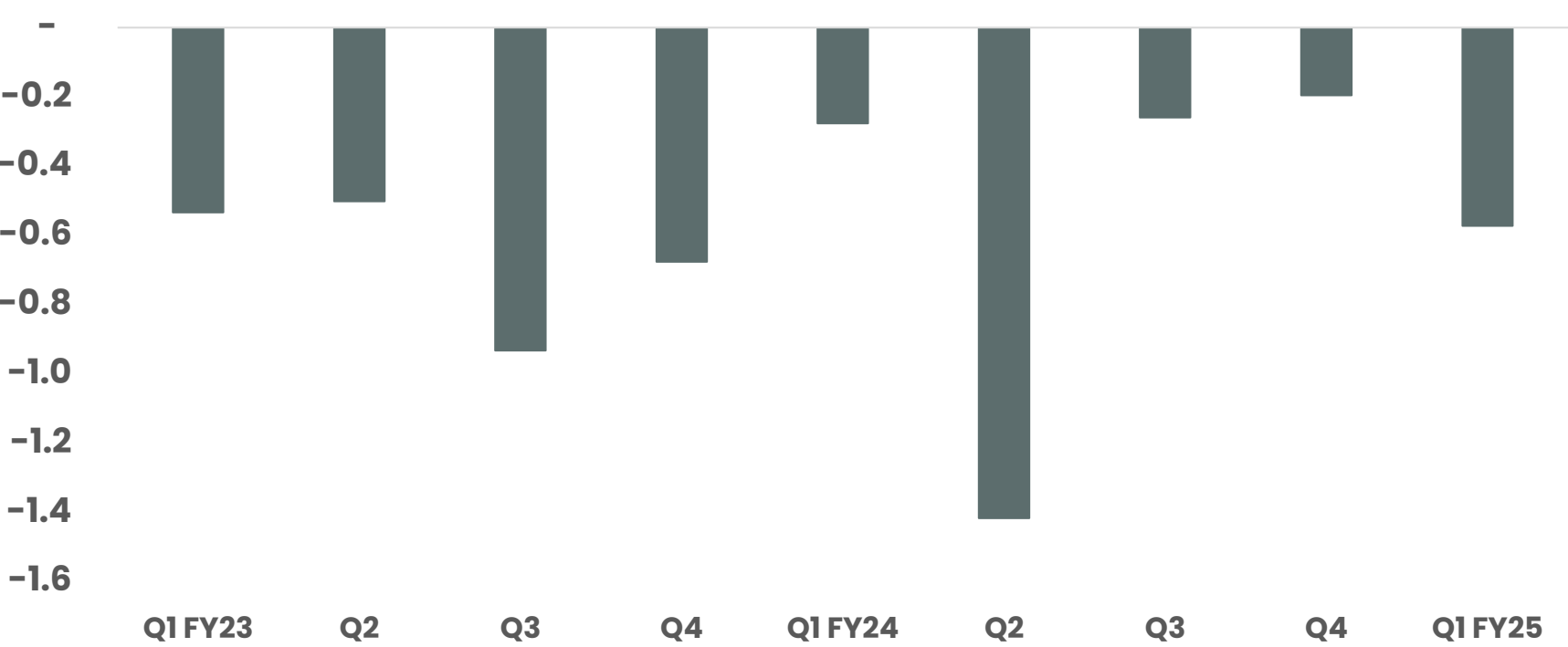
Sales Mix 2024



Sales Mix 2025



Operating Cash Burn





# Q2 Strategic Imperatives

- **Expanding The Healthy Chef portfolio:** Launch of the new Menopause Support product, digital strategy optimisation, and the launch of three protein waters in Q3 will underpin revenue growth and broaden the brand's presence across the well-ageing and functional hydration segments.
- **Finalising business integration:** Completion of remaining systems and personnel integration post-merger to unlock operational efficiency and reduce overlapping roles.
- **Restoring momentum in the USA market:** Introduction of a dedicated U.S. marketing resource to reignite growth, supported by targeted top-of-funnel digital campaigns and a focus on practitioner and DTC channels.
- **Margin optimisation:** Margin uplift through discontinuation of low-margin SKUs and promotional recalibration, with margin forecast to progress from **37% in Q1 to 45% in Q4**.
- **Disciplined cost reduction:** Continued streamlining of overheads and supplier base to drive EBITDA improvement.
- **Scaling Soul Seed innovation:** Focused efforts underway to secure a strategic distribution partner for the Soul Seed snacking range ahead of its H2 national rollout.



**For further information and insights, please click on the link below.**  
**<https://investorhub.elixinolwellness.com/link/Wrv8Ny>**

**Authorised for release by the EXL Board of the Company.**

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**Pauline Gately, Non-executive Director**  
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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](http://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")**

31 March 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,604	3,604
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,025)	(2,025)
(c) advertising and marketing	(421)	(421)
(d) leased assets	(21)	(21)
(e) staff costs	(1,056)	(1,056)
(f) administration and corporate costs	(579)	(579)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(90)	(90)
1.6 Income taxes paid/(received)	-	-
1.7 Government grants and tax incentives	12	12
1.8 Other – non recurring	(53)	(53)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(626)</b>	<b>(626)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(8)	(8)
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(8)</b>	<b>(8)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	184	184
3.6	Repayment of borrowings (leases)	(47)	(47)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>137</b>	<b>137</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>1,078</b>	<b>1,078</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(626)	(626)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	137	137
4.5	Effect of movement in exchange rates on cash held	18	18
4.6	<b>Cash and cash equivalents at end of period</b>	<b>599</b>	<b>599</b>

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	599	1,078
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>599</b>	<b>1,078</b>

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	141
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>		



<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	1,484	1,479
7.4	<b>Total financing facilities</b>		-
7.5	<b>Unused financing facilities available at quarter end</b>		5
7.6	<p>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.</p> <p>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 March 2025, \$647,000 was drawdown against the Trade Debtor facility and \$299,000 against the Trade finance facility. The total amount available to drawdown was \$951,000. 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.</p> <p>On 11 March 2025, a PayPal Commerce Finance facility was established providing \$170,000 of access to e-commerce revenue in advance. As at 31 March 2025, the balance of this facility was \$170,000 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.</p> <p>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 31 March 2025, the balance of this facility was \$266,000 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. The facility is secured against future Shopify receipts.</p> <p>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 31 March 2025, the balance of this facility was \$18,600 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.</p> <p>On 31 January 2025, an HFA Shopify Commerce Finance facility was established providing \$94,000 of access to e-commerce revenue in advance. As at 31 March 2025, the balance of this facility was \$78,000 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.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(626)
8.2	Cash and cash equivalents at quarter end (item 4.6)	599
8.3	Unused finance facilities available at quarter end (item 7.5)	5
8.4	Total available funding (item 8.2 + item 8.3)	604
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.0
<p><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></p>		
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?	
	<p>The Company expects underlying net operating cash outflows to continue to decrease moving forward following a higher cost base in Q1 due to final non-recurring closure and structural realignment costs. The Company does expect some investment in inventories, particularly in Q2 with the annual growing and harvest season for Natives and Hemp. However, margins and EBITDA are expected to improve from one-off impact in Q1.</p>	
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?	
	<p>The Group has secured access to additional financing via e-commerce working capital funding with an additional \$200k secured in April and other existing facilities able to be re-drawn as required. The ScotPac trade debtor and inventory facilities will continue to support inventory growth and operational scaling. The Group is also in discussions on other secured funding options and is expected to have these in place during Q2. The Company remains focused on achieving sustained profitability through margin-accretive revenue growth, disciplined cost control, and enhanced capital management.</p>	
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?	
	<p>The Company anticipates continuing operations and achieving its business objectives. It plans to secure funding through existing and new facilities to support these goals. Additionally, it expects to reduce net cash outflows by leveraging current and new revenue initiatives. .</p>	
<p><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></p>		

## 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: 30 April 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.