



1. Company details

Name of entity:	Elixinol Wellness Limited
ABN:	34 621 479 794
Reporting period:	For the half-year ended 30 June 2025
Previous period:	For the half-year ended 30 June 2024

2. Results for announcement to the market

The Directors present this Appendix 4D on the consolidated entity (referred to as the 'Group') consisting of Elixinol Wellness Limited (referred to as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2025.

			\$'000
Revenues from ordinary activities	up	12.8% to	7,642
Loss from ordinary activities after tax attributable to the owners of Elixinol Wellness Limited	up	12.2% to	(3,093)
Loss for the half-year attributable to the owners of Elixinol Wellness Limited	up	12.2% to	(3,093)
		30 Jun 2025 Cents	30 Jun 2024 Cents
Basic loss per share		(1.39)	(2.21)
Diluted loss per share		(1.39)	(2.21)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$3,093,000 (30 June 2024: \$2,756,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(1.12)</u>	<u>3.10</u>
Calculated as follows:		
	30 Jun 2025 \$'000	Group 30 Jun 2024 \$'000
Net assets	6,965	7,434
Less: Right-of-use assets	(216)	(136)
Less: Intangibles	(5,950)	(2,470)
Less: Deferred tax assets	(3,591)	-
Add: Lease liabilities	220	299
Net tangible assets	<u>(2,572)</u>	<u>5,127</u>
Total shares issued (no.)*	<u>230,191,421</u>	<u>165,155,290</u>

* Total shares issued for 30 June 2024 have been restated to account for the 1:8 share consolidation that occurred during the year ended 31 December 2024.



4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The review report contains a paragraph that draws attention to the use of the going concern basis for the preparation of the financial statements.

11. Attachments

Details of attachments (if any):

The Interim Report of Elixinol Wellness Limited for the half-year ended 30 June 2025 is attached.



12. Signed

Authorised for release by the Board of Directors

Dave Fenlon

Signed _____

Date: 29 August 2025

David Fenlon
Independent Non-Executive Director and Chair



Elixinol Wellness Limited

ABN 34 621 479 794

Interim Report - 30 June 2025



Directors' report	2
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Note 1. General information	10
Note 2. Material accounting policy information	10
Note 3. Critical accounting judgements, estimates and assumptions	11
Note 4. Operating segments	11
Note 5. Revenue	14
Note 6. Other income	15
Note 7. Cash and cash equivalents	15
Note 8. Non-current assets classified as held for sale	15
Note 9. Property, plant and equipment	16
Note 10. Right-of-use assets	17
Note 11. Intangibles	17
Note 12. Borrowings	18
Note 13. Issued capital	18
Note 14. Fair value measurement	19
Note 15. Contingent liabilities	20
Note 16. Commitments	20
Note 17. Earnings per share	20
Note 18. Share-based payments	21
Note 19. Events after the reporting period	21
Directors' declaration	22
Independent auditor's review report to the members of Elixinol Wellness Limited	23
Corporate directory	27



The Directors of Elixinol Wellness Limited ('**Elixinol Wellness**' or the '**Company**') present this report, together with the financial statements of the Company and its controlled entities ('**Consolidated Entity**' or '**Group**') for the half-year ended 30 June 2025 ('**H1 FY25**').

Directors

The Directors of the Company in office during the financial half-year and up to the date of this report are as follows:

David Fenlon	Independent Non-Executive Chair
Natalie Butler	Executive Director and Chief Executive Officer (appointed CEO 19 June 2025)
Pauline Gately	Non-Executive Director

The Directors were in office for the entire period unless otherwise stated.

Principal activities

The principal activities of the Company during the half-year relate to its operation as a holding company for each of, Elixinol Wellness (Byron Bay) Pty Ltd, The Sustainable Nutrition Group Pty Ltd, The Sustainable Nutrition Group (Australia) Pty Ltd, and Ananda Food Pty Ltd (together 'Australia'), Elixinol LLC ('Elixinol Americas') as well as Elixinol BV and Elixinol Limited (together 'Rest of World').

The principal activities of the Group are:

Australia

Elixinol's Australian operations are vertically integrated, producing, manufacturing, and distributing a complementary range of products for health-conscious consumers across four verticals: human nutrition, human wellness, pet wellness, and superfood ingredients. Products are marketed under the Hemp Foods Australia, Mt Elephant, The Healthy Chef (acquired October 2024), Soul Foods, Ananda Equine, and Field Day brands, and distributed through grocery, wholesale, and e-commerce channels. The Australian Superfood Co supplies native ingredients to white-label customers and to food, beverage, and beauty manufacturers, while Australian Primary Hemp provides quality hemp ingredients to white-label and other manufacturing partners. Australia continues to be the primary driver of the Group's revenue and operational performance.

Elixinol Americas

Established in 2014, Elixinol Americas specialises in marketing and distributing premium-quality, predominantly whole-plant, full-spectrum CBD products. In H1FY25, this business operated exclusively through e-commerce channels.

Rest of World

Established in 2018, the Rest of World segment comprises Elixinol Europe, which develops, sources, markets, and distributes hemp-derived CBD products, including skincare. Following a transition to a licensing model several years ago, this segment now contributes minimally to Group revenue.

Operating and financial review

Revenue trends and comparative performance

Group revenue for H1 FY25 was \$7,642,000, an increase of 12.8% on H1 FY24 revenue of \$6,772,000. However, revenue was 6.7% lower than H2 FY24 (\$8,184,000), consistent with the Group's historical pattern of stronger second-half performance. The year-on-year uplift reflected stronger contributions from The Healthy Chef and Hemp Foods Australia. These gains were partly offset by softer results from Elixinol USA during its Q2 brand refresh, Mt Elephant and Ingredients business with continued retail headwinds in Australia.

Statutory loss

The Group reported a net loss after tax of \$3,093,000 for H1 FY25 (H1 FY24: \$2,756,000). The larger loss before income tax benefit (increase of \$337,000) during the first six months of the year reflects higher investment in marketing and brand development expenditure, together with integration and restructuring costs incurred during Q1 FY25 relating to the Healthy Chef integration and Ananda facility rationalisation.

Gross margins

Group gross margin for H1 FY25 was 37.4%, compared with 35.7% in H1 FY24. The improvement was driven by introduction of the Healthy Chef portfolio and overall general increase in e-commerce. Margins stabilised in Q2 at 37.8% (Q1: 36.7%), with an improving channel and revenue mix expected to improve margins in H2. E-commerce and core brand contributions are expected to deliver ongoing margin uplift.



Small deterioration in EBITDA

Earnings before interest, tax and amortisation ('EBITDA') from continuing operations (excluding impairment, share-based payments and one-off transactions) for the period ended 30 June 2025 is detailed below. This loss increased by \$132,000 during H1FY25 compared with the same period last year. While EBITDA and Adjusted EBITDA are not prescribed by Australian Accounting Standards ('AAS') and represent the Group's statutory result under AAS, adjusted for certain items, Elixinol directors view these metrics as an indicator of the Group's core earnings.

Underlying earnings (Adjusted EBITDA)

Despite revenue growth of 12.8% in H1 FY25, the Group reported a wider Adjusted EBITDA loss of \$2,220,000 compared with \$1,516,000 in H1 FY24. This reflected the impact of integration following recent mergers, with the enlarged business not yet fully right-sized in terms of team and cost base. Retail channels outside of e-commerce experienced margin pressures from grain purchasing and ingredient price increases, particularly chocolate for Mt Elephant, resulting in a lower gross margin. These pressures were partly offset by the Healthy Chef's higher-margin portfolio, which delivered strong sales but also introduced increased marketing and distribution expenses. Base retail sales declined modestly due to the loss of several smaller accounts, however underlying product sales within existing distribution channels continued to grow. The Americas business was slightly lower in H1 FY25, reflecting the deliberate scaling back of marketing activity while re-adjusting brand plans in response to legislative changes.

Reconciliation of Adjusted EBITDA from continuing operations to statutory loss

	Group	
	30 Jun 2025	30 Jun 2024
	\$'000	\$'000
Loss after income tax	(3,093)	(2,756)
<i>Add back/(deduct):</i>		
Income tax expense	-	1
Finance costs	279	66
Interest income	(4)	(23)
Depreciation and amortisation	511	537
EBITDA	(2,307)	(2,175)
<i>Add back/(deduct):</i>		
Impairment and write-off of other assets	288	77
Share-based payments	(101)	239
One-off transactions*	(100)	343
Adjusted EBITDA	(2,220)	(1,516)

* One-off transactions in H1 FY25 primarily comprise restructuring and integration costs associated with The Healthy Chef, the Ananda facility closure and offset by insurance proceeds from an insurable event and deferred consideration release credit

Operating cash flow and balance sheet position

Net operating cash outflow for H1 FY25 was \$1,383,000, compared with \$2,145,000 in H1 FY24. In H1 FY25 improved due to increased revenues, lower one-off costs and proceeds from an insurable event. Liquidity was supported by a \$1,325,000 secured debt facility and a \$150,000 equity raise completed in Q2, with a closing cash balance as at 30 June 2025 of \$1,087,000.

Impairment charges

Impairment and other asset write off charges were \$288,000 in H1 FY25, compared with \$77,000 in H1 FY24. The \$288,000 includes \$226,000 of inventory written off, write off machinery \$37,000 and impairment of intangibles of \$25,000.



Performance by operating segment

Australian operations continued to account for the majority of Group revenue. The Healthy Chef delivered its strongest quarter since acquisition in Q2 FY25, supported by the launch of Menopause+ and a refreshed digital strategy. Hemp Foods Australia rebounded in Q2 FY25, matching Q2 FY24 revenue despite the absence of new launches, with core hemp seed, oil, and protein products remaining key growth drivers. Mt Elephant returned to growth, recording its best quarterly performance in three periods following range resets and renewed traction with grocery partners. The Australian Superfood Co experienced a softer half-year due to customer order timing and a major customer discontinued operations in the Australian market, though recovery initiatives are underway.

In the United States, Elixinol USA reported a softer Q2 FY25 as marketing was deliberately scaled back ahead of a rebrand and digital strategy overhaul. While revenue declined, gross margins remained above 60%, highlighting the underlying resilience of the business. Bulk Ingredients delivered a solid Q2 FY25, benefitting from systems improvements and operational efficiencies which lifted profitability.

Outlook and forward priorities

The Group enters the second half of FY25 with renewed momentum across its core brands and a pipeline of innovation. The launch of The Healthy Chef protein waters and functional snacking products is expected to broaden category presence and support revenue growth. Cost reduction and portfolio optimisation initiatives are forecast to underpin further margin improvement, positioning the Group for a stronger second half.

As a result of the loss incurred for the half-year ended 30 June 2025 and the liquidity at the reporting date, there is a material uncertainty as to whether the Group can continue as a going concern. The Directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Significant changes in the state of affairs

On 19 June 2025, the Company appointed Natalie Butler as Chief Executive Officer. On the same date, Josephine Lorenz resigned as Chief Financial Officer and Adam Dimitropoulos was appointed as Chief Financial Officer.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Dave Fenlon

David Fenlon
Independent Non-Executive Director and Chair

29 August 2025

DECLARATION OF INDEPENDENCE BY ELYSIA ROTHWELL TO THE DIRECTORS OF ELIXINOL WELLNESS LIMITED

As lead auditor for the review of Elixinol Wellness Limited for the half-year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elixinol Wellness Limited and the entities it controlled during the period.

Elysia Rothwell
Director



BDO Audit Pty Ltd

Sydney, 29 August 2025

Elixinol Wellness Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2025



		Group	
	Note	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Revenue	5	7,642	6,772
Other income	6	697	210
Interest income calculated using the effective interest method		4	23
Expenses			
Raw materials and consumables used and processing expenses		(4,787)	(4,356)
Employee benefits expenses and Directors' fees		(2,145)	(1,751)
Share-based payments		101	(239)
Depreciation and amortisation expense		(511)	(537)
Impairment of intangibles	11	(25)	-
Write off of machinery	9	(37)	-
Write off of inventory		(226)	(77)
Professional services expenses		(533)	(558)
Sales and marketing expenses		(974)	(478)
Administrative expenses		(742)	(884)
Distribution costs		(726)	(471)
Other expenses		(552)	(343)
Finance costs		(279)	(66)
Loss before income tax expense		(3,093)	(2,755)
Income tax expense		-	(1)
Loss after income tax expense for the half-year attributable to the owners of Elixinol Wellness Limited		(3,093)	(2,756)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(4)	40
Other comprehensive income for the half-year, net of tax		(4)	40
Total comprehensive income for the half-year attributable to the owners of Elixinol Wellness Limited		(3,097)	(2,716)
		Cents	Cents
Basic loss per share	17	(1.39)	(2.21)
Diluted loss per share	17	(1.39)	(2.21)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



		Group	
	Note	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	7	1,087	1,078
Trade and other receivables		1,251	1,608
Inventories		2,891	3,890
Income tax refund due		14	14
Prepayments, deposits and other		510	586
		5,753	7,176
Non-current assets classified as held for sale	8	206	-
Total current assets		5,959	7,176
Non-current assets			
Property, plant and equipment	9	791	1,161
Right-of-use assets	10	216	265
Intangibles	11	5,950	6,177
Deferred tax		3,591	3,590
Prepayments, deposits and other		73	80
Total non-current assets		10,621	11,273
Total assets		16,580	18,449
Liabilities			
Current liabilities			
Trade and other payables		2,153	2,216
Contract liabilities		109	22
Borrowings	12	2,493	1,114
Lease liabilities		182	186
Employee benefits		264	337
Provisions		450	450
Accrued expenses		859	661
Total current liabilities		6,510	4,986
Non-current liabilities			
Borrowings	12	392	543
Lease liabilities		38	97
Employee benefits		74	94
Contingent consideration		2,601	2,703
Total non-current liabilities		3,105	3,437
Total liabilities		9,615	8,423
Net assets		6,965	10,026
Equity			
Issued capital	13	228,486	228,291
Reserves		9,367	9,610
Accumulated losses		(230,888)	(227,875)
Total equity		6,965	10,026

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Elixinol Wellness Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2025



Group	Issued capital \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2024	222,573	9,156	886	(226,153)	6,462
Loss after income tax expense for the half-year	-	-	-	(2,756)	(2,756)
Other comprehensive income for the half-year, net of tax	-	40	-	-	40
Total comprehensive income for the half-year	-	40	-	(2,756)	(2,716)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	3,449	-	-	-	3,449
Share-based payments (note 18)	-	-	239	-	239
Vesting of share-based payments	474	-	(474)	-	-
Balance at 30 June 2024	<u>226,496</u>	<u>9,196</u>	<u>651</u>	<u>(228,909)</u>	<u>7,434</u>

Group	Issued capital \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2025	228,291	9,223	387	(227,875)	10,026
Loss after income tax expense for the half-year	-	-	-	(3,093)	(3,093)
Other comprehensive income for the half-year, net of tax	-	(4)	-	-	(4)
Total comprehensive income for the half-year	-	(4)	-	(3,093)	(3,097)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 13)	137	-	-	-	137
Share-based payments (note 18)	-	-	(101)	-	(101)
Vesting of share-based payments	58	-	(58)	-	-
Transfer of historical expired rights	-	-	(80)	80	-
Balance at 30 June 2025	<u>228,486</u>	<u>9,219</u>	<u>148</u>	<u>(230,888)</u>	<u>6,965</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes



		Group	
	Note	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,947	6,646
Payments to suppliers and employees (inclusive of GST)		(9,631)	(8,745)
Government grants	6	23	-
Insurance claim received		481	-
Interest received		4	23
Interest and other finance costs paid		(207)	(66)
Income taxes paid		-	(3)
Net cash used in operating activities		(1,383)	(2,145)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(1,800)
Payments for property, plant and equipment		(13)	(45)
Payments for intangibles		(17)	-
Proceeds from disposal of investments		-	2,265
Net cash (used in)/from investing activities		(30)	420
Cash flows from financing activities			
Proceeds from issue of shares	13	150	3,164
Share issue transaction costs	13	(12)	(395)
Proceeds from secured loan		1,325	-
Net proceeds from trade finance borrowings		73	-
Repayment of lease liabilities		(95)	(172)
Net cash from financing activities		1,441	2,597
Net increase in cash and cash equivalents		28	872
Cash and cash equivalents at the beginning of the financial half-year		1,078	708
Effects of exchange rate changes on cash and cash equivalents		(19)	(3)
Cash and cash equivalents at the end of the financial half-year		1,087	1,577

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes



Note 1. General information

The financial statements cover Elixinol Wellness Limited as a group consisting of Elixinol Wellness Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ('Group'). The financial statements are presented in Australian dollars, which is Elixinol Wellness Limited's functional and presentation currency.

Elixinol Wellness Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Registered office	Principal place of business
Suite 2 Level 11 385 Bourke Street Melbourne VIC 3000	Unit 233 15 Cochrane Road Moorabbin VIC 3189

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 August 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 30 June 2025 and are not expected to have a significant impact for the full financial year ending 31 December 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The half-year financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

During the half-year ended 30 June 2025, the Group incurred a net loss after tax of \$3,093,000 (30 June 2024: \$2,756,000) and had net current liabilities of \$551,000 (31 December 2024: net current assets of \$2,190,000), largely due to the borrowings of \$1,325,000 which are repayable within twelve months of the reporting date. During the half-year, net cash outflows from operating activities were \$1,383,000 (30 June 2024: \$2,145,000). At 30 June 2025, the Group held cash reserves of \$1,087,000.



Note 2. Material accounting policy information (continued)

The Group's ability to continue as a going concern is dependent on:

- Achieving forecast sales growth, supported through new product and reformulation launches, roll out of select brands into retail channel, rebranding of existing lines and private label deals.
- Margin improvement through lower cost sourcing of inputs, manufacturing efficiency gains, deprioritising low margin products, reformulation of existing products to lower the cost price.
- The successful execution of its cost reduction initiatives across all operating expense lines including marketing and promotional expenses, personnel costs, consulting and professional fees and other administrative costs; and
- Securing additional funding through equity/debt raising, asset sales and extension of finance facilities as required:
 - The Company has a history of successfully raising capital, including \$1,100,000 institutional placement in October 2024 and \$400,000 share purchase plan in November 2024. In May 2025, the Company successfully secured debt financing of \$1,325,000 and an additional \$150,000 through equity.
 - Other existing working capital revolving debt facilities are expected to continue and include facilities provided by Scottish Pacific (debtors and trade facilities) and e-commerce facilities through Shopify and Paypal. There are reasonable grounds to expect that these facilities will continue to be available.
 - The cashflow forecasts prepared by the Group for the next twelve months from the date of this report indicate the Group will have a positive cash balance. The cashflow forecasts include assumptions around future capital raising. The Directors are confident that any future capital raising would be successful.

The Directors believe the Group will have access to sufficient funding to meet its obligations as and when they fall due. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial report on a going concern basis.

However, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Based on the Group's forecasts, its ability to effectively manage expectations and cash flows from operations, and ability to raise future capital, the Directors believe that the Group's existing cash reserves are adequate to pay its liabilities in the ordinary course of business for at least twelve months from the date of this report and that there is a reasonable basis to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amount and classification of liabilities that may be necessary should the Group not continue as a going concern.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are consistent with those of the latest Annual Report.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into three operating segments: Australia, Americas and Rest of World. There is one single business segment, being the sale of nutraceutical and related hemp products. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation), adjusted for impairment. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.



Note 4. Operating segments (continued)

Types of products and services

The principal products and services of each of these operating segments are as follows:

Australia	This includes the results from operations of Elixinol Wellness (Byron Bay) Pty Ltd, The Sustainable Nutrition Group Pty Ltd and its subsidiaries ('TSN') and Ananda Food Pty Ltd.
Americas	This includes the trading results of Elixinol LLC ('Elixinol Americas') in the US through the manufacture and distribution of hemp-derived cannabidiol ('CBD') products.
Rest of World	This includes the results from the trading operations of Elixinol BV and Elixinol Ltd (together 'Elixinol Europe') and through the manufacture and distribution of hemp-derived CBD products, and licencing agreements in place across the rest of the world.

'Unallocated' represents corporate, being Elixinol Wellness Limited (corporate).

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

Group - 30 Jun 2025	Australia \$'000	Americas \$'000	Rest of World \$'000	Unallocated \$'000	Total \$'000
Revenue					
Sales to external customers	6,795	841	-	-	7,636
Licence revenue	-	-	6	-	6
Total revenue	<u>6,795</u>	<u>841</u>	<u>6</u>	<u>-</u>	<u>7,642</u>
Adjusted EBITDA	<u>(1,370)</u>	<u>(140)</u>	<u>4</u>	<u>(714)</u>	<u>(2,220)</u>
Depreciation and amortisation					(511)
Impairment and write-off of assets					(288)
Deferred consideration adjustment					175
Interest income					4
Finance costs					(279)
Share-based payments					101
Termination and other one-off transactions					(75)
Loss before income tax expense					<u>(3,093)</u>
Income tax expense					-
Loss after income tax expense					<u>(3,093)</u>
Assets					
Segment assets	11,973	596	16	3,995	16,580
Total assets					<u>16,580</u>
Liabilities					
Segment liabilities	4,185	351	42	5,037	9,615
Total liabilities					<u>9,615</u>



Note 4. Operating segments (continued)

	Australia \$'000	Americas \$'000	Rest of World \$'000	Unallocated \$'000	Total \$'000
Group - 30 Jun 2024					
Revenue					
Sales to external customers	5,753	1,000	-	-	6,753
Licence revenue	-	-	19	-	19
Total revenue	<u>5,753</u>	<u>1,000</u>	<u>19</u>	<u>-</u>	<u>6,772</u>
Adjusted EBITDA	<u>(686)</u>	<u>86</u>	<u>13</u>	<u>(929)</u>	<u>(1,516)</u>
Depreciation and amortisation					(537)
Impairment of other assets					(77)
Interest revenue					23
Finance costs					(66)
Share-based payments					(239)
Abnormal/One-off expenses					(343)
Loss before income tax expense					<u>(2,755)</u>
Income tax expense					(1)
Loss after income tax expense					<u>(2,756)</u>
Group - 31 Dec 2024					
Assets					
Segment assets	15,147	652	21	2,629	18,449
Total assets					<u>18,449</u>
Liabilities					
Segment liabilities	3,571	308	72	4,472	8,423
Total liabilities					<u>8,423</u>

Geographical information

	Sales to external customers		Geographical non-current assets	
	30 Jun 2025 \$'000	30 Jun 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Australia	6,795	5,753	6,800	3,922
Americas	841	1,000	31	32
Rest of World	6	19	-	-
Unallocated	-	-	200	3,731
	<u>7,642</u>	<u>6,772</u>	<u>7,031</u>	<u>7,685</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets and post-employment benefits assets.



Note 5. Revenue

	Group 30 Jun 2025 \$'000	30 Jun 2024 \$'000
Sale of goods	7,636	6,753
Licence revenue	6	19
Revenue	<u>7,642</u>	<u>6,772</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Group - 30 Jun 2025	eCommerce \$'000	Retail \$'000	Other * \$'000	Total \$'000
<i>Geographical regions</i>				
Australia	2,182	3,505	1,108	6,795
Americas	696	130	15	841
Rest of World	-	-	6	6
	<u>2,878</u>	<u>3,635</u>	<u>1,129</u>	<u>7,642</u>

Timing of revenue recognition

Goods transferred at a point in time	2,878	3,635	1,123	7,636
Services transferred over time	-	-	6	6
	<u>2,878</u>	<u>3,635</u>	<u>1,129</u>	<u>7,642</u>

* Other includes bulk and private label.

Group - 30 Jun 2024	eCommerce \$'000	Retail \$'000	Other * \$'000	Total \$'000
<i>Geographical regions</i>				
Australia	445	3,912	1,396	5,753
Americas	867	110	23	1,000
Rest of World	-	-	19	19
	<u>1,312</u>	<u>4,022</u>	<u>1,438</u>	<u>6,772</u>

Timing of revenue recognition

Goods transferred at a point in time	1,312	4,022	1,419	6,753
Services transferred over time	-	-	19	19
	<u>1,312</u>	<u>4,022</u>	<u>1,438</u>	<u>6,772</u>

* Other includes bulk and private label.



Note 6. Other income

	Group 30 Jun 2025 \$'000	30 Jun 2024 \$'000
Net foreign exchange (loss)/gain	(5)	3
Net gain on disposal of property, plant and equipment	4	-
Grants	23	-
Insurance recoveries	481	-
Sub-lease income and other	194	207
	<hr/>	<hr/>
Other income	697	210
	<hr/> <hr/>	<hr/> <hr/>

Net insurance recoveries

During the half-year, the Group received insurance proceeds in relation to written-off inventory due to an insurable event.

Note 7. Cash and cash equivalents

	Group 30 Jun 2025 \$'000	31 Dec 2024 \$'000
<i>Current assets</i>		
Cash at bank	1,087	1,078
	<hr/> <hr/>	<hr/> <hr/>

Note 8. Non-current assets classified as held for sale

	Group 30 Jun 2025 \$'000	31 Dec 2024 \$'000
<i>Current assets</i>		
Machinery	206	-
	<hr/> <hr/>	<hr/> <hr/>



Note 9. Property, plant and equipment

	Group	
	30 Jun 2025	31 Dec 2024
	\$'000	\$'000
<i>Non-current assets</i>		
Leasehold improvements - at cost	37	37
Less: Accumulated depreciation	(37)	(37)
	-	-
Furniture, fittings and equipment - at cost	106	105
Less: Accumulated depreciation	(74)	(70)
	32	35
Motor vehicles - at cost	48	48
Less: Accumulated depreciation	(35)	(34)
	13	14
Computer equipment - at cost	45	45
Less: Accumulated depreciation	(18)	(14)
	27	31
Machinery - at cost	4,806	5,400
Less: Accumulated depreciation	(3,281)	(3,472)
Less: Impairment	(806)	(847)
	719	1,081
	791	1,161

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Group	Furniture, fittings and equipment \$'000	Motor vehicles \$'000	Computer equipment \$'000	Machinery \$'000	Total \$'000
Balance at 1 January 2025	35	14	31	1,081	1,161
Additions	2	-	-	11	13
Classified as held for sale (note 8)	-	-	-	(206)	(206)
Exchange differences	-	-	-	1	1
Write off of assets	(1)	-	-	(36)	(37)
Depreciation expense	(4)	(1)	(4)	(132)	(141)
Balance at 30 June 2025	32	13	27	719	791



Note 10. Right-of-use assets

	Group	
	30 Jun 2025	31 Dec 2024
	\$'000	\$'000
<i>Non-current assets</i>		
Land and buildings - right-of-use	328	767
Less: Accumulated depreciation	(112)	(502)
	<u>216</u>	<u>265</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Group	Land and buildings - right-of-use \$'000
Balance at 1 January 2025	265
Additions	67
Modification of lease assumptions	16
Depreciation expense	(132)
Balance at 30 June 2025	<u>216</u>

Note 11. Intangibles

	Group	
	30 Jun 2025	31 Dec 2024
	\$'000	\$'000
<i>Non-current assets</i>		
Goodwill - at cost	1,367	1,367
Less: Impairment	(15)	-
	<u>1,352</u>	<u>1,367</u>
Brand name - at cost	988	988
Less: Accumulated amortisation	(241)	(169)
	<u>747</u>	<u>819</u>
Trademarks - at cost	285	285
Less: Accumulated amortisation	(39)	(27)
Less: Impairment	(10)	-
	<u>236</u>	<u>258</u>
Other intangible assets - at cost	3,769	3,733
Less: Accumulated amortisation	(154)	-
	<u>3,615</u>	<u>3,733</u>
	<u>5,950</u>	<u>6,177</u>



Note 11. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Group	Goodwill \$'000	Brand name \$'000	Patents and trademarks \$'000	Other intangible assets \$'000	Total \$'000
Balance at 1 January 2025	1,367	819	258	3,733	6,177
Additions	-	-	-	35	35
Exchange differences	-	-	-	1	1
Impairment of assets	(15)	-	(10)	-	(25)
Amortisation expense	-	(72)	(12)	(154)	(238)
Balance at 30 June 2025	1,352	747	236	3,615	5,950

Note 12. Borrowings

	Group 30 Jun 2025 \$'000	Group 31 Dec 2024 \$'000
<i>Current liabilities</i>		
Loans - Raw With Life	48	48
Insurance premium funding	65	217
Trade financing	1,042	849
Secured loan, including interest	1,338	-
	<u>2,493</u>	<u>1,114</u>
<i>Non-current liabilities</i>		
Loans - Raw With Life	110	142
Trade financing	282	401
	<u>392</u>	<u>543</u>

Assets pledged as security

The Company received \$1,325,000 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. There are no loan covenants on this secured loan.

Note 13. Issued capital

	Group 30 Jun 2025 Shares	Group 31 Dec 2024 Shares	Group 30 Jun 2025 \$'000	Group 31 Dec 2024 \$'000
Ordinary shares - fully paid	230,191,421	220,820,137	228,486	228,291



Note 13. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 January 2025	220,820,137		228,291
Issue of shares	3 June 2025	8,571,429	\$0.01750	150
Issue of shares - Vested performance rights	27 June 2025	799,855	\$0.07200	58
Share issue transaction costs				(13)
Balance	30 June 2025	<u>230,191,421</u>		<u>228,486</u>

Note 14. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Group - 30 Jun 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Liabilities</i>				
Contingent consideration	-	-	2,601	2,601
Total liabilities	-	-	2,601	2,601

Group - 31 Dec 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Liabilities</i>				
Contingent consideration	-	-	2,703	2,703
Total liabilities	-	-	2,703	2,703

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Due to the nature of contingent consideration, it has been categorised as Level 3.



Note 14. Fair value measurement (continued)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Group	Contingent consideration \$'000
Balance at 1 January 2025	2,703
Estimation adjustments	(175)
Present value adjustment	73
Balance at 30 June 2025	2,601

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Contingent consideration	Risk adjusted discount rate	7.5%	A change in the discount rate by 1% would increase/decrease the fair value by \$72,000.
	Probability - weighted estimated cash flows (future earnings)	Contingent consideration has been estimated using techniques by discounting the probability - weighted estimated cash flows.	A change in revenue delivered in FY27 by 10% would increase/decrease the fair value by \$154,000

Note 15. Contingent liabilities

The Group had no contingent liabilities at 30 June 2025 or 31 December 2024.

Note 16. Commitments

	Group	
	30 Jun 2025 \$'000	31 Dec 2024 \$'000
<i>Inventory purchase commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Inventory purchases under contract	2,336	872

Note 17. Earnings per share

	Group	
	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Loss after income tax attributable to the owners of Elixinol Wellness Limited	(3,093)	(2,756)
	Number	Number*
Weighted average number of ordinary shares used in calculating basic earnings per share	222,156,397	124,740,090
Weighted average number of ordinary shares used in calculating diluted earnings per share	222,156,397	124,740,090



Note 17. Earnings per share (continued)

	Cents	Cents
Basic loss per share	(1.39)	(2.21)
Diluted loss per share	(1.39)	(2.21)

* Weighted average number of ordinary shares have been restated to account for the 1:8 share consolidation that occurred in the year ended 31 December 2024.

Options and performance rights (note 18) have not been included in the calculation of diluted earnings per share as their inclusion would be anti-dilutive to the Group at 30 June 2025 and 30 June 2024.

Note 18. Share-based payments

The Group has established a long-term incentive share-based payment ('LTIP'). Under the LTIP, the Board at its absolute discretion can issue options and performance rights over ordinary shares in the Company to Directors, key management personnel and employees.

Performance rights are awarded based on the fixed amount to which the individual is entitled. Upon satisfaction of vesting and employment conditions, each performance right will, at the Company's election, convert to a share on a one-for-one basis or entitle the participant to receive in cash to the value of a share at the Board's discretion in lieu of an allocation of shares.

Details of the plans can be found in the latest 31 December 2024 Annual Report.

Grant dates and details

Set out below are summaries of options granted:

30 Jun 2025

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
07/06/2023	30/10/2025	\$0.16000	16,375,097	-	-	(16,375,097)	-
31/08/2023	31/08/2025	\$0.16000	286,460	-	-	-	286,460
23/11/2023	23/11/2025	\$0.16000	190,973	-	-	-	190,973
			16,852,530	-	-	(16,375,097)	477,433

Set out below are summaries of performance rights granted:

30 Jun 2025

Grant date	Expiry date	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
27/05/2022	27/08/2027	58,220	-	-	-	58,220
03/10/2023	31/08/2028	1,462,572	-	(799,853)	(626,301)	36,418
		1,520,792	-	(799,853)	(626,301)	94,638

Note 19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Dave Fenlon

David Fenlon
Independent Non-Executive Director and Chair

29 August 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Elixinol Wellness Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Elixinol Wellness Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



Elysia Rothwell
Director

Sydney, 29 August 2025



Directors	David Fenlon - Independent Non-Executive Chair Natalie Butler - Executive Director and Chief Executive Officer Pauline Gately - Non-Executive Director
Group Chief Financial Officer	Adam Dimitropoulos
Company secretary	Melanie Leydin
Registered office	Suite 2 Level 11 385 Bourke Street Melbourne VIC 3000 Tel: (02) 4044 4585 (within Australia) Tel: +61 (0) 2 4044 4585 (outside Australia)
Principal place of business	Unit 233 15 Cochrane Road Moorabbin VIC 3189
Share register	Automic Pty Ltd Level 5 126 Phillip Street Sydney NSW 2000 Tel: 1300 288 664 (within Australia) Tel: +61 (0) 2 9698 5414 (outside Australia)
Auditor	BDO Audit Pty Ltd Level 11 1 Margaret Street Sydney NSW 2000
Stock exchange listing	Elixinol Wellness Limited shares are listed on the Australian Securities Exchange (ASX code: EXL)
Website	www.elixinolwellness.com
X (formerly known as Twitter)	EXLWellness