

ASX ANNOUNCEMENT

Exceptional Revenue Growth in H1 FY24

29 August 2024: Elixinol Wellness Ltd (ASX:EXL) (“EXL”, “Elixinol”, “Company” or “Group”), a producer, manufacturer and distributor of sustainable plant-based nutrition and nutraceutical products, is delighted to report its H1 FY24 Interim Financial Results for the six months ending 30 June 2024 (“H1 FY24”).

Highlights

- **Impressive Revenue Growth:** Group revenue surged to \$6.8M in H1 FY24, a 96% improvement on H1 FY23. ‘Dramatic growth was driven by the successful integration of The Sustainable Nutrition Group (TSN) and Ananda Food acquisitions, alongside robust organic growth in core brands like Hemp Foods Australia. Expanded market reach and product offerings in key growth segments were key growth drivers.
- **Australian Market Strength:** Australian sales skyrocketed by 174% pcp, reaching \$5.8M in H1 FY24, bolstered by robust market expansion and the successful launch of new SKUs under the Mt Elephant and Hemp Food Australia brands.
- **Positive EBITDA in the Americas:** Despite some sales disruption during the transition to a capital light e-commerce model, the Americas achieved a positive Adjusted EBITDA* of \$0.1M, a significant improvement from a \$1.0 million loss in H1 FY23.
- **Significant Group EBITDA Improvement and Rigorous Cost Management:** Group Adjusted EBITDA narrowed dramatically to \$1.5 million in H1 FY24, down from \$2.6 million in H1 FY23, aided by the Company’s rigorous focus on operational efficiency and cost control. Operating expenses were reduced by 9% year-on-year, now accounting for 60% of revenue compared with 128% in H1 FY23, showcasing a 53% improvement and positioning the company for profitability in H2.
- **Challenging Margin Dynamics:** Gross profit increased to \$2.4 million, though the gross profit margin temporarily declined from 45% to 35% due to a shift in sales mix and ongoing supply chain pressures. However, the Company expects enhanced in-house processing capabilities and further cost savings initiatives to yield improvements in Cost of Goods Sold (COGS) and margins during H2.
- **Strengthened Financial Position:** Net assets improved by \$0.97M, supported by an increase in cash reserves to \$1.6M, reflecting effective asset-liability management and strategic capital allocation.
- **On track for Positive Adjusted EBITDA in 2024:** EXL is on track to achieve positive Adjusted EBITDA in 2024, reaffirming FY24 revenue guidance of \$16-\$20M. Targeted revenue of \$9.2-\$10M for H2 FY24 to be driven by renewed growth in the U.S. and expanded market presence.
- For more information and insights, please click on the link below
<https://investorhub.elixinolwellness.com/link/NPwDEy>

* Adjusted to exclude non-cash impairments, share-based payments and non-recurring expenditure

Authorised for release by the EXL Board of the Company.

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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, Ananda Food, Soul Seeds 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 through e-commerce platforms.

See more at www.elixinolwellness.com

Note: None of the information included in this announcement should be considered individually material, unless specifically stated. This announcement may include certain statements, estimates, or projections with respect to the anticipated future performance of the Group. 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