Elixinol Wellness

ASX ANNOUNCEMENT

Record[1] Sales with positive underlying operating cash flow supported by Priceline deal activation

28 July 2026, Melbourne: Elixinol Wellness Ltd (ASX: EXL) ("**EXL**," "**Elixinol**," or "the **Company**"), a leading sustainable nutrition and wellness company, is pleased to report its June 2026 quarterly activity report and Appendix 4C ("Q2 FY26").

Key Highlights

- Q2 FY26 Record[1] revenue of **$4.3 million,** up **5%** on the prior corresponding period (pcp)
- Gross margin increased to **45%,** up **8 percentage points** on pcp
- Operating cost base reduced, with operating expenses down **23%** on pcp
- Underlying operating cash flow positive for the third consecutive quarter
- Cash balance of **$1.0 million** as at 30 June
- Positive revenue momentum heading into Q3 FY26, supported by new B2B and retail channel opportunities
- The Healthy Chef revenue increased **20%** on pcp and **26%** qoq
- Advancing The Healthy Chef's expansion into longevity and metabolic health through science-backed functional nutrition and bioactive peptides

Natalie Butler, CEO and Executive Director, commented:

"Q2 FY26 represents another quarter of progress as we continue to execute our strategy to improve the quality of earnings and build a more profitable business. Revenue grew 5% on the prior corresponding period, while gross margin expanded to 45%, reflecting disciplined portfolio management, an improved channel mix and continued focus on premium brands.

The Healthy Chef continues to perform strongly, with revenue increasing 20% on the prior corresponding period and further supported by its expansion into Priceline Pharmacy. We were also encouraged by the continued momentum in our Metabolic Burn and Protein Water ranges, supporting our strategy of growing higher-margin premium functional nutrition products.

During the quarter, we continued to simplify the business and reduce our operating cost base. This contributed to a material improvement in underlying operating cash flow compared with the prior year. While reported cash flow was impacted by one-off AGM costs and out-of-cycle payments, the underlying trajectory of the business continues to improve.

1. Record quarterly revenue for the current Elixinol Wellness Ltd business following the strategic transformation and portfolio restructuring, excluding the legacy US CBD operations. Results are unaudited.

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As we enter Q3 FY26, we remain focused on delivering sustainable revenue growth, maintaining disciplined cost management supporting the positive underlying operating cash flow.

Q2 FY26 Overview

Elixinol generated revenue of **$4.3 million** in Q2 FY26, an increase of **5%** compared with the prior corresponding period (pcp). Performance during the quarter reflected the Company's continued focus on higher-margin revenue streams, disciplined portfolio management and an improved sales channel mix.

Strong performance from The Healthy Chef portfolio

The Healthy Chef delivered revenue of **$1.15 million**, up **20%** on pcp and **26%** qoq, supported by continued strength in e-commerce and the expansion into Priceline Pharmacy. The brand represented **27%** of total Group revenue during the quarter, compared with **23%** in Q2 FY25, demonstrating an increased contribution from premium brands and owned channels.

The rollout into Priceline Pharmacy expands The Healthy Chef's presence in a high-traffic retail network, increasing brand awareness and consumer access.

Metabolic Burn continued to perform strongly following its Q1 FY26 launch, with early consumer demand supporting The Healthy Chef's entry into the emerging pre-GLP-1 nutrition category. Protein Water also delivered continued momentum during the quarter, reinforcing the Company's strategy of growing its portfolio of premium nutritional products.

The Company is progressing The Healthy Chef's expansion into longevity, metabolic health and healthy ageing, targeting the growing "Peptide curious" consumer seeking credible support for appetite, muscle preservation, recovery and sleep without pharmaceutical injectables. Following the strong early response to Metabolic Burn, the Company is developing precision functional nutrition products using clinically studied **bioactive peptides** and other advanced ingredients.

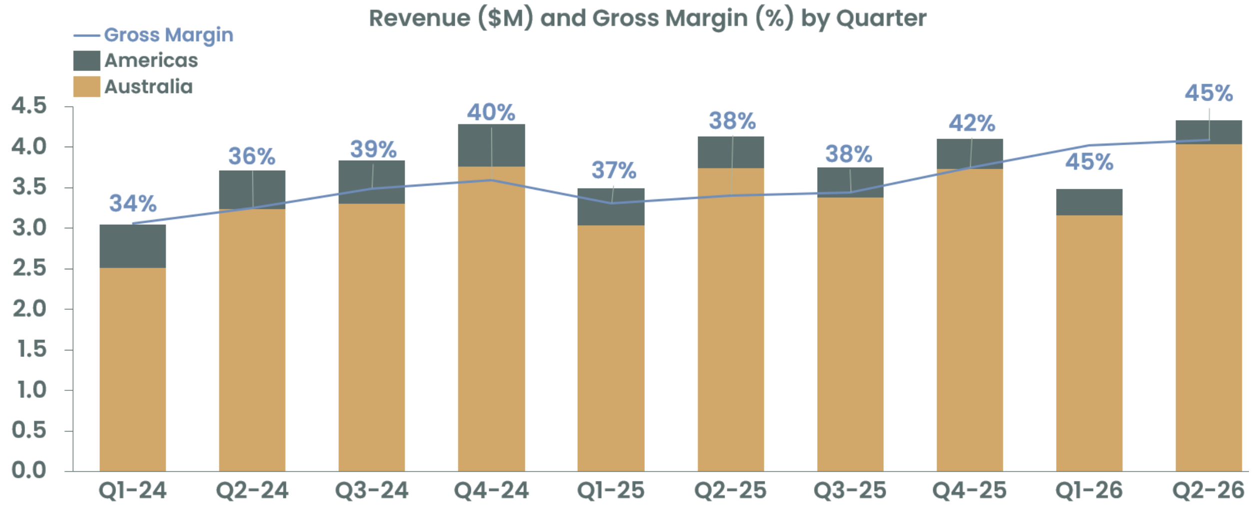
Gross margin expansion

Elixinol continued to improve revenue quality during Q2 FY26 through its focus on higher-margin products, owned brands and disciplined channel management.

Gross margin increased to **45%** in Q2 FY26, compared with **38%** in Q2 FY25, reflecting portfolio optimisation, reduced exposure to lower-margin contracts and SKUs, and a greater contribution from higher-margin e-commerce sales.

Gross profit increased **26%** on pcp to **$2.0 million** (Q2 FY25: **$1.6 million**), primarily driven by a **36%** increase in gross profit from the Australian business.

Cash flow and operating performance



Customer cash receipts totalled **$3.9 million** during Q2 FY26, an increase of 9% compared with the previous quarter.

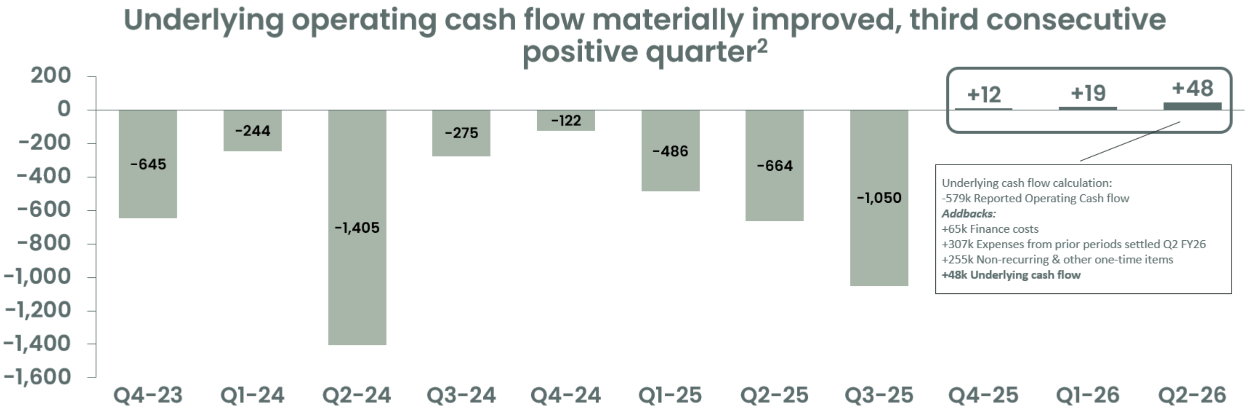
Meanwhile the Company's operating cost base decreased by **23%** compared with the prior corresponding period. This included a **23%** reduction in employee costs, a **25%** decline in distribution costs, **32%** less marketing expenditure and a **15%** improvement in administration and corporate costs.

Net operating cash outflow for the quarter was **$0.58 million**. This result included non-recurring costs and impacts from out-of-cycle payments relating to prior periods, interest payments to secured loan note holders and costs associated with the Company's Annual General Meeting. After those adjustments (per the chart below), the underlying operating cashflow for Q2 is positive **$0.05 million.** This represents the third consecutive quarter of positive underlying operating cash flow and an improvement of approximately **$0.71 million** compared with Q2 FY25, when the underlying operating cash outflow was **$0.66 million**.

The Company remains focused on delivering sustained positive underlying operating cash flow, supported by revenue momentum, increased contributions from higher-margin products and channels, and a structurally lower operating cost base established during FY26. Recent portfolio optimisation and channel expansion initiatives are expected to provide additional support for revenue growth over the coming quarters.

Cash on hand as at 30 June 2026 was **$1.0 million**.

Payments to related parties and their associates of **$0.13 million**, as disclosed in Item 6.1 of the Appendix 4C, relate to Director fees and executive director remuneration.



2. Underlying operating cash excludes financing costs, payments for income taxes and other items (timing adjustments and nonrecurring items). This is not an ASX Appendix 4C measure.

Gavin Evans, Chair, commented:

"The Board is pleased with the continued progress delivered during Q2 FY26. Over the past twelve months, management has successfully repositioned the business around stronger brands, higher-margin revenue streams and a significantly leaner operating cost base. These initiatives are now translating into improved financial performance, improving underlying cash generation and a more resilient operating platform.

Importantly, the Company's performance over the past three quarters demonstrates a fundamental improvement in the quality and sustainability of the business. Expanding gross margins, disciplined cost management and improving operating cash flow provide a solid foundation for long-term value creation.

We are particularly encouraged by the continued momentum of The Healthy Chef, which is benefiting from strong consumer demand for premium wellness products, while our retail, e-commerce and B2B channels continue to provide multiple avenues for growth.

Looking ahead, the Board remains focused on disciplined capital allocation and accelerating organic growth, particularly through The Healthy Chef's position in the rapidly expanding precision nutrition category, including bioactive peptides and other science-backed functional ingredients. We also continue to assess strategic acquisition opportunities that complement our existing portfolio, enhance our capabilities and create long-term shareholder value."

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.

For further information, please contact:

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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 hemp foods 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:

https://investorhub.elixinolwellness.com/link/ya2D1e

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Elixinol Wellness Limited

ABN	**Quarter ended ("current quarter")**
34 621 479 794	30 June 2026

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		3,903	7,489
1.2	Payments for			
	(a)	research and development	(13)	(22)
	(b)	product manufacturing and operating costs	(2,566)	(4,677)
	(c)	advertising and marketing	(266)	(528)
	(d)	leased assets	(12)	(26)
	(e)	staff costs	(884)	(1,652)
	(f)	administration and corporate costs	(421)	(824)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	3
1.5	Interest and other costs of finance paid		(65)	(122)
1.6	Income taxes paid/(received)		-	(1)
1.7	Government grants and tax incentives		-	20
1.8	Other (non-recurring)		(255)	(375)
1.9	**Net cash from / (used in) operating activities**		**(579)**	**(715)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(g)	entities	-	-
	(h)	businesses	-	-
	(i)	property, plant and equipment	(11)	(19)
	(j)	investments	-	-
	(k)	intellectual property	-	(28)
	(l)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	55	55
	(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	-	-
2.6	**Net cash from / (used in) investing activities**	**44**	**8**

3.	**Cash flows from financing activities**		
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	(28)	(39)
3.5	Proceeds from borrowings	642	989
3.6	Repayment of borrowings (leases)	(288)	(629)
3.7	Transaction costs related to loans and borrowings	(31)	(31)
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**295**	**290**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**1,236**	**1,411**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(579)	(715)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	44	8
4.4	Net cash from / (used in) financing activities (item 3.10 above)	295	290
4.5	Effect of movement in exchange rates on cash held	0	2
4.6	**Cash and cash equivalents at end of period**	**996**	**996**

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	996	1,236
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**996**	**1,236**

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	131
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	4,100	4,044
7.4	**Total financing facilities**	**4,100**	**4,044**

7.5	**Unused financing facilities available at quarter end**	56
7.6	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.	

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 30 June 2026, $836,000 was drawn down against the Trade Debtor facility and $298,000 against the Trade finance facility. The interest rate on these facilities is approximately 10.96% 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.

During Q2 2025, the Company received $1.35 million under a 12-month secured debt facility, originally maturing on 31 May 2026 and bearing interest at 12% per annum, payable on maturity. Subsequent to the reporting period, a portion of the loan note holders agreed to convert their debt into Convertible Notes. The remaining loan note holders agreed to extend the maturity date of their debt to 27 August 2026. The facility is secured by a security interest granted by the Company's wholly owned US subsidiary, Elixinol LLC, over its present and future inventory, property, equipment and bank accounts in the United States.

On 17 July 2025, a TASCO Shopify Commerce Finance facility was established providing $22,000 of access to e-commerce revenue in advance. As at 30 June 2026, the balance of this facility was $3,000 with a term of 18 months with a repayment of 17% of daily Shopify sales. The interest rate is a fixed fee of 15.3% of the initial facility balance. This facility is secured against future Shopify receipts.

On 30 December 2025, a HCF Shopify Commerce Finance facility was established providing $420,000 of access to e-commerce revenue in advance. As at 30 June 2026, the balance of this facility was $190,000 with a term of 18 months with repayment of 17% of daily Shopify sales. The interest rate is a fixed fee of 9% of the initial facility. The facility is secured against future Shopify receipts.

On 5 March 2026, a PayPal Commerce Finance facility was established providing $347,000 of access to e-commerce revenue in advance. As at 30 June 2026, the balance of this facility was $244,000 with repayment of 30% of daily PayPal receipts. The interest rate is a fixed fee of 8.4% of the initial facility balance. The facility is secured against future PayPal receipts.

On 25 June 2026, a HCF Shopify Commerce Finance facility was established providing $440,000 of access to e-commerce revenue in advance. As at 30 June 2026, the balance including the fixed facility fee was $481,000 with a term of 18 months with repayment of 25% of daily Shopify sales. The interest rate is a fixed fee of 9.3% of the initial facility. The facility is secured against future Shopify receipts.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(579)
8.2	Cash and cash equivalents at quarter end (item 4.6)	996
8.3	Unused finance facilities available at quarter end (item 7.5)	56
8.4	Total available funding (item 8.2 + item 8.3)	1,052
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**1.8**

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.

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?

The Company expects underlying net operating cash outflows to improve during the second half of 2026. The initial order for the Priceline rollout has been delivered and is expected to support improved cash collections. The Company also expects continued benefits from margin improvement initiatives, overhead reductions, SKU rationalisation and supply chain and procurement optimisation, which are anticipated to further improve EBITDA and operating cash flows.

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?

The Group has access to additional funding through existing e-commerce working capital facilities and other financing facilities that may be redrawn as required. An increase in the ScotPac inventory finance facility has been finalised during July 2026, providing additional funding capacity. In addition, shareholders approved the Company's capacity to undertake an equity capital raising at the AGM held on 27 May 2026, with that approval remaining valid until 27 August 2026. The Company believes these funding sources provide appropriate flexibility to support its operational requirements.

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?

The Company expects to continue its operations and meet its business objectives. This expectation is supported by forecast improvements in operating performance and cash flows, together with access to existing working capital facilities, financing arrangements and available funding capacity to support ongoing operations.

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.

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: 28 July 2026...

Authorised by: ....By the Board…..
(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.