



1. Company details

Name of entity:	Elixinol Wellness Limited
ABN:	34 621 479 794
Reporting period:	For the year ended 31 December 2021
Previous period:	For the year ended 31 December 2020

2. Results for announcement to the market

The directors present this Appendix 4E 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 year ended 31 December 2021.

			\$'000
Revenues from ordinary activities	down	37.8% to	9,338
Loss from ordinary activities after tax attributable to the owners of Elixinol Wellness Limited	down	83.7% to	(17,025)
Loss for the year attributable to the owners of Elixinol Wellness Limited	down	83.7% to	(17,025)
			2021 Cents
Basic loss per share			(5.41)
Diluted loss per share			(5.41)
			2020 Cents
			(58.25)
			(58.25)

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 and non-controlling interest amounted to \$17,025,000 (31 December 2020: \$104,506,000).

Key highlights

- Group wide transformation and restructuring efforts drive profitability and \$11.7m / 50% improvement in Adjusted EBITDA, from -\$23.2m in FY20 to -\$11.5m in FY21
 - Elixinol Americas delivers largest EBITDA improvement through period despite challenging market context and continued brand investment
 - Hemp Foods Australia's strategy to drive profitability through range optimisation results in a 33% EBITDA improvement whilst also allowing for increased marketing investment
- Strategy to focus on branded products and e-commerce channels drove significant improvement in margins, which finished the period at 52%, up from 45%
- FY21 investment in building innovation capability delivered a wide-reaching new product launch pipeline
- Strong funding position ending FY21 with cash of \$12.6m and reduced CAPEX due to simplified and capital light business model
- Business transformation drives \$10.3m in cost savings with several additional, significant cost reduction initiatives underway
- Board of Elixinol Wellness commenced a strategic review, post period, to maximise shareholder value which will include consideration of merger, sale, or other options for the Company as a whole or its business units



3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	6.17	11.43
Calculated as follows:		
	2021 \$'000	Group 2020 \$'000
Net assets	19,077	35,651
Less: Right-of-use assets	(1,173)	(1,412)
Less: Intangibles	(463)	(917)
Add: Lease liabilities	2,037	2,494
Net tangible assets	19,478	35,816
Total shares issued (no.)	315,778,066	313,227,117

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

Name of associate / joint venture	Reporting entity's Contribution to (loss)/profit percentage holding		Contribution to (loss)/profit (where material)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
<i>Associates:</i>				
- H&W Holdings LLC	-	19.88%	-	(132)
- Altmed Pets LLC ('Pet Releaf')	25.43%	25.43%	-	(795)
<i>Joint venture:</i>				
- Northern Colorado High Plains Producers*	-	-	-	(149)
<i>Group's aggregate share of associates and joint venture entities' (loss)/profit (where material)</i>				
(Loss)/profit from ordinary activities before income tax			-	(1,076)

* On 31 December 2020, the Company dissolved its interest in NCHPP.

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 have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Elixinol Wellness Limited for the year ended 31 December 2021 is attached.

12. Signed

Authorised for release by the Board of Directors

25 February 2022