

ASX Announcement
25 October 2023

Investor Presentation Pack
12th Annual Australian Microcap Investment Conference

Elixinol Wellness Limited (**Elixinol Wellness** or the **Company**) (**ASX:EXL**) is pleased to announce that Ron Dufficy, Group CEO and Managing Director is presenting today at the 12th Annual Australian Microcap Investment Conference.

An investor briefing presentation pack is attached to this announcement.

This document was authorised to be given to the ASX by the Board of the Company.

Investor relations please contact:

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About Elixinol Wellness

Elixinol Wellness Limited (ASX: EXL) is a pioneer in the global hemp industry, innovating, marketing and selling hemp and other plant-derived food, skincare and nutraceutical products:

- In Australia, EXL operates a vertically integrated business which produces, manufactures, exports and distributes a range of sustainable and plant-based nutrition brands including Hemp Foods Australia, Mt Elephant, Field Day and The Australian Superfood Company. EXL sells to grocery, wholesale, e-commerce and white label customers.
- In the Americas, innovating, marketing and selling high quality Elixinol branded hemp and other plant derived nutraceutical and skincare products based in Colorado, USA.
- In the United Kingdom, Japan, Brazil, Mexico and South Africa, branded hemp and other plant-derived products are available to consumers via exclusive distribution and/or trademark and know-how licensing agreements.

See more at www.elixinolwellness.com



12th Annual Australian Microcap Investment Conference

25 October 2023



Disclaimer

This presentation contains summary information about Elixinol Wellness Limited (Elixinol Wellness) and its subsidiaries and their activities.

The information in this presentation does not purport to be complete. It should be read in conjunction with Elixinol Wellness' other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Elixinol Wellness and associated entities of Elixinol Wellness and certain plans and objectives of the management of Elixinol Wellness. Forward-looking statements can be identified by the use of forward-looking terminology, including, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may" or "will", and similar expressions. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of Elixinol Wellness to be materially different from the results or performance expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Elixinol Wellness' present and future business strategies and the political, regulatory and economic environment in which Elixinol Wellness will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation or warranty is made that any of these statements or forecasts (express or implied) will come to pass or that any forecast result will be achieved. Forward-looking statements speak only as at the date of this presentation and to the maximum extent permitted by law, Elixinol Wellness and its Related Parties disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, any assumptions or expectations set out in this presentation).

All figures in this presentation are A\$ unless stated otherwise and all market shares are estimates only. A number of figures, amounts, percentages, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from figures set out in this presentation.

Business Transformation Complete *(effective 17 August 2023)*



- Pioneer and leader in innovating, marketing and selling hemp-derived and plant-based products.
- Operations across Australia and the United States delivering significant global reach.
- Well positioned in the global consumer wellness trend for natural and plant-based food and nutraceuticals.

- Manufacturer and distributor of premium hemp and plant-based health products with tier 1 Australian retail relationships.
- Operates in high-growth market verticals: plant-based food, pet supplements and sustainable Australian ingredients.
- R&D into proprietary hemp isolate and concentrate product.

- A global plant-based food, health and wellness company, Australian revenues to immediately increase by approximately 2x.
- Highly complementary product range and shared new product development capabilities.
- Immediate cost synergies with potential future revenue synergies.



Aligned vision to build a leading global plant-based food, health & wellness company

Vision

To create a healthier everyday life through the power of plant-based products.



Quality &
Efficacy



True
Heritage



Natural &
Sustainable

We enable our customers to live their best lives, taking comfort from knowing our products are healthier and more nutritious for their bodies and kinder and more considerate for the planet. We care that every customer should be delighted when they do business with us.

House of Brands

We help our customers feel better

Positioning: delicious, nutritious and convenient health products that improve & enrich our customers' lives.

Consumers: have a lifestyle focused on living well and prioritise health & wellness.

Retail Channels: grocery, independents, health, pharmacy, pet retailers, online.

BYRON BAY BORN 1999
Hemp Foods
AUSTRALIA

LTM revenue: ~A\$4.1m

Channel - health / grocery /
pharmacy / online

Functional nutrition products &
TGA approved supplements

Functional meal replacement &
beverages (coming soon)

Total market size - VDS A\$3.1b¹
Sports A\$1.4b¹ Hemp A\$15m²
5yr revenue target: A\$20m


MT. ELEPHANT™

LTM revenue: ~A\$1.0m

Channel - grocery

Healthy baking mixes

Total market size - A\$0.6b³
5yr revenue target: A\$15m

**Field
Day™**

LTM revenue: ~A\$0.2m

Channel - online
& pet retail

Wholefood meal
supplements / dogs

Nutraceuticals for dogs
(coming soon)

Total market size - A\$4b⁴
5yr revenue target: A\$10m

 **elixinol**

LTM revenue: ~A\$3.1m

Channel - online

CBD and vitamins

Total market size - US\$16b by 2026⁵
5yr revenue target: US\$15m

AUSTRALIA

USA

Highly Complementary Product Range

Products delivered across four verticals

Human Nutrition



Human Wellness



Pet Wellness



Superfood Ingredients



Leveraging a Diversified Distribution Network

Immediately broadens the distribution network

Retail:

- ✓ Strengthened complementary distribution for both EXL and TSN:
 - Combined Australian distribution in over 4,000 stores:
 - Hemp Foods Australia products stocked in ~3,500 stores
 - TSN products stocked in ~500 incremental stores
 - Ability to broaden and increase existing relationships with partners and distributors for combined group

E-commerce: Digital strategy to drive growth and profitability

- ✓ Accelerates growth in established e-commerce platforms
 - Combined group to have 7 e-commerce sites
 - Increased SKU and product range to drive growth, website traffic and online sales
 - Potential to leverage US e-commerce channels for TSN products

✓ Wholesale: Strengthens wholesale offering

- Potential to cross-sell TSN products through EXL US platform and relationships



B2B Ingredients

Australian natives and superfoods

Positioning: plant-based, clean, nutritious, Australian grown (preferred)

Customers: B2B (trade)



Food

Food Manufacturers & Hospitality

Dried natives - powder, flaked & leaf

Bulk hemp ingredients



Beverage

Drink Manufacturers & Hospitality

Native & Australian extracts - fruits & herbs

Hemp protein powders



Beauty

Beauty Manufacturers & Brands

Botanical extracts – Kakadu Plum

Hemp seed oil



Pet

Animal Food Manufacturers & Brands

Horses – hemp hulls

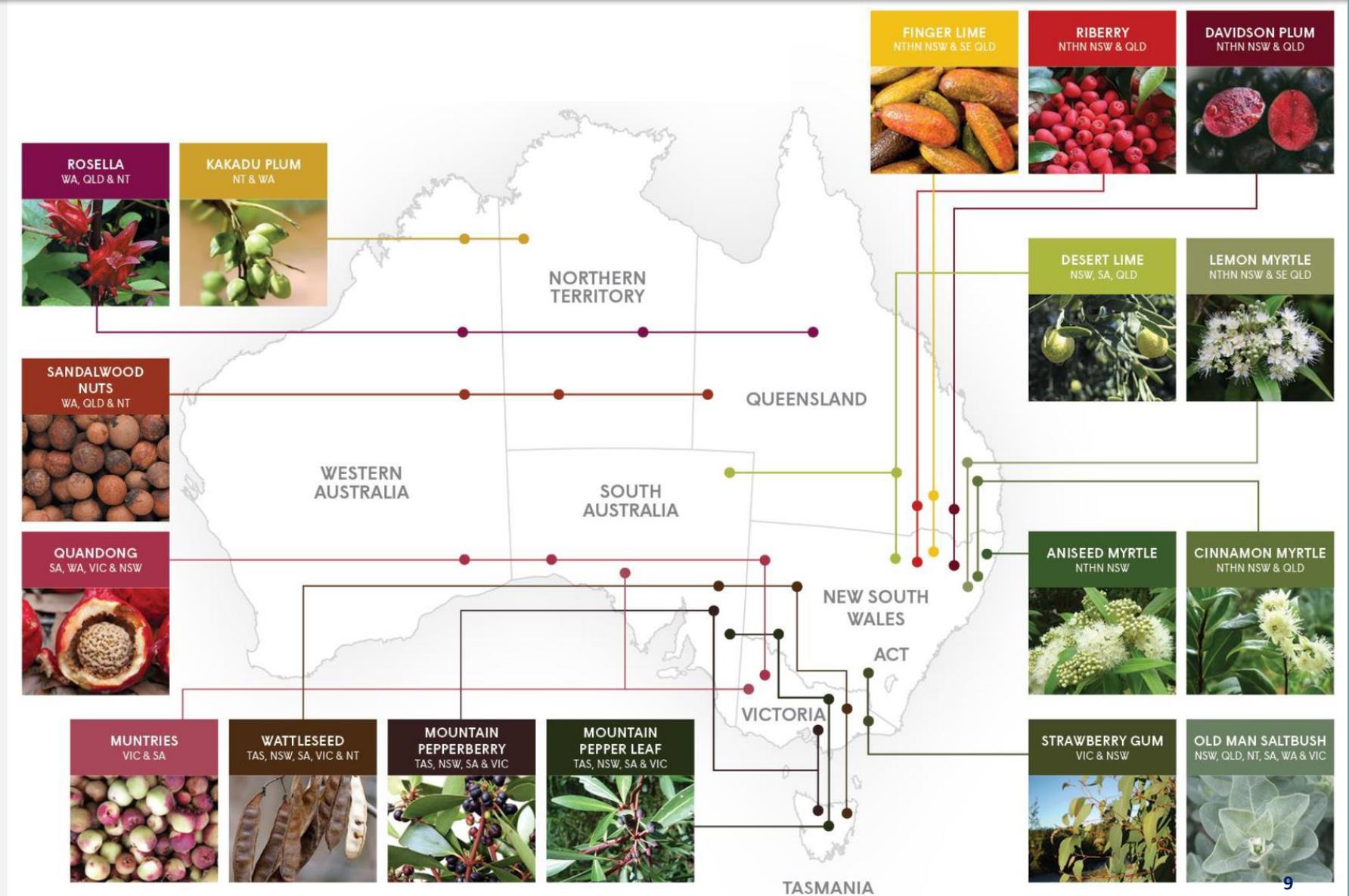
Other pet

The Australian Superfood Company

Creating Australia's leading supplier of native ingredients



Demand for native Australian ingredients – both locally and around the world – has never been higher, however demand will soon outweigh supply. Therefore, The Australian Superfood Co has introduced the Native Harvest Initiative. The Native Harvest Initiative addresses this imbalance by providing a range of specialty services and support to indigenous communities and local growers, assisting growers and farmers diversify and/or repurpose their crops. Working together, the Native Harvest Initiative provides growers with the security of a guaranteed customer for their produce.



Investment Proposition

Compelling reasons to invest in Elixinol Wellness



On-trend, high-growth sectors with products that are “better for you” and more considerate for the planet.



Undervalued compared with peers, on a clear pathway to profitability which is expected to drive a valuation rerate.



An emerging leader in plant-based consumer products and ingredients as health becomes mainstream.



Invest in Australian-based manufacturing and help protect Australia’s food security.



TSN acquisition and integration now complete with synergies now being realised.



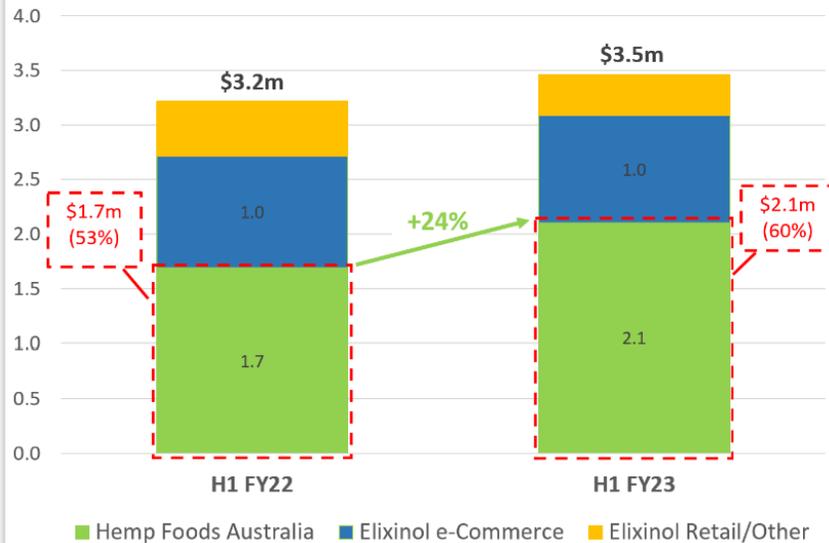
Exploring additional merger and acquisition opportunities to build more scale and extract synergies.



Financial Highlights

Adjusted EBITDA significantly improved for the 7th consecutive half year period.

Revenue by Channel
A\$ million, half year ending 30 June



Revenue by channel

24% growth in Hemp Foods Australia, strategically important market and growing its share of total business.

Elixinol eCommerce revenues flat in a challenging market context, driven by subscription-based revenues and a loyal customer base.

36% cost base reduction

Operational and corporate expense reduction initiatives have continued to significantly reduce operating expenses.

\$4.5m in H1 FY23

vs \$7.0m in H1 FY22



56% improvement in normalised net operating cash utilised

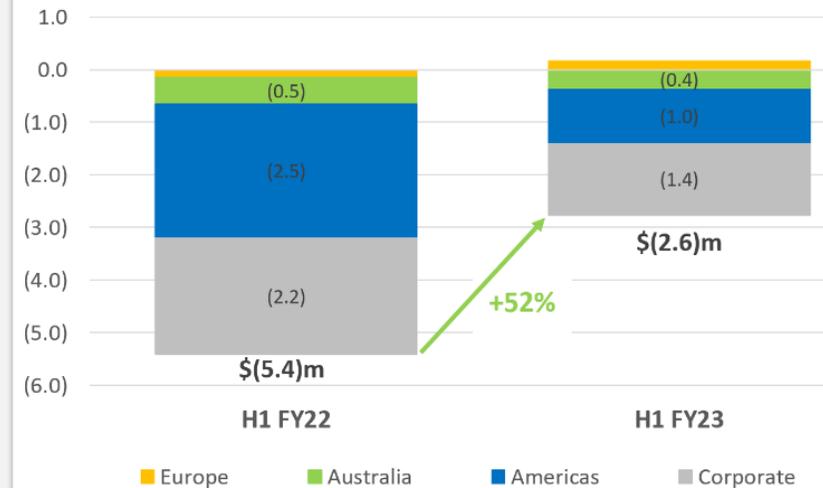
Ongoing improvement since FY20, despite lower revenues, due to ongoing business optimisation efforts.

-\$2.4m in H1 FY23

vs -\$5.4m in H1 FY22



Adjusted EBITDA by Half
A\$ million, half year ending 30 June



Adjusted EBITDA¹

Ongoing improvement since FY20, led by a reduced cost base to support a simplified strategy.

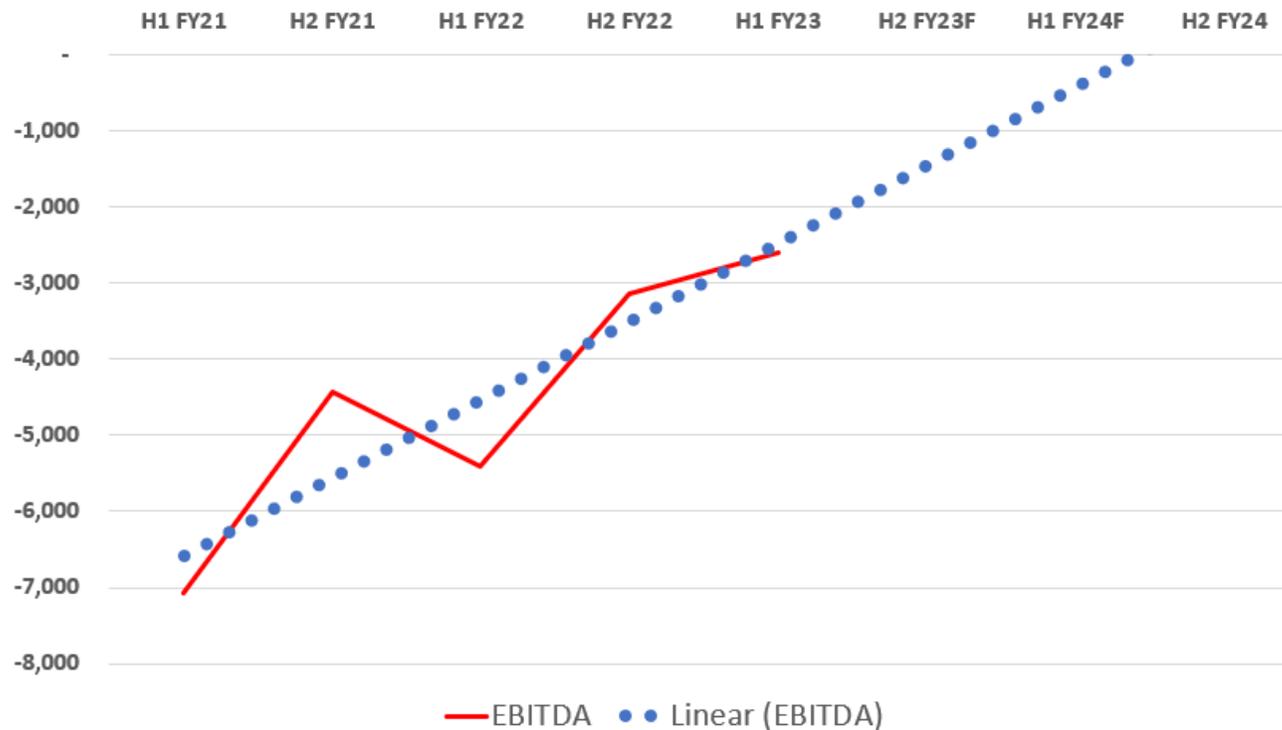
Cost reduction program driving performance improvements.

¹ Excluding non-cash impairments and share-based payments.

Trajectory to Profitability

Sales growth and synergies drive EBITDA trajectory to breakeven by mid-2024*

EBITDA Trendline



- Key drivers of current revenue growth:
 - Costco ranging and promotional activity
 - Continued success of functional products in Coles
 - National ranging of Mt Elephant in Woolworths
- Sales and synergies from acquisition being realised effective 17 August 2023.
- Driving towards profitability through a continued focus on cost controls.
- Undervalued compared with peers, on a clear pathway to profitability which is expected to drive a valuation rerate.

* based on current trends and market conditions.

Growth Strategies



Focus on core brands in the Australian market



Streamline, rationalise and innovate product range



Maximise conversion of revenue opportunity pipeline to expand distribution



Increase size and scale

ORGANIC

- As more hemp-based consumer products move from the health channel into mainstream channels, we will build on Hemp Foods Australia's leadership position by emphasising benefit-led products that are "good for you and good for the planet" with particular focus on the sports nutrition and vitamin sectors.
- Significantly increase sales volumes of Mt Elephant's products that are "deliciously nutritious made easy" via aggressive retail expansion and mainstream marketing approach.
- Take advantage of rapid growth in Pet Nutrition Market with key retail partnerships and new e-commerce focus for Field Day Pet.
- Strengthen Hemp Foods Australia's growth through focus on innovative functional nutrition.
- Increase in ranging with Tier-1 Australian and global grocery chains with pipeline opportunities identified to grow revenue by up to \$13.0m, with ranging increasing from 25 core SKUs to 37 (6 range extensions plus 6 NPD).
- Continue to maintain the Elixinol brand through online sales using cost effective digital marketing campaigns and consider investment only after the US FDA further regulates hemp-derived CBD.

INORGANIC

- Realise revenue and cost synergies from the TSN acquisition.
- Divest minority equity interest in Altmed Pets LLC (Pet Releaf) (net book value A\$2.8m).
- Explore additional M&A opportunities to build scale and extract further synergies.

Summary

Well positioned in global consumer wellness trend for natural and plant-based food and nutraceuticals.

Pioneer and early leader in hemp and other plant-based superfoods and developing a robust native ingredients supply model.

New product development pipeline will drive entry into new product categories and drive incremental growth.

\$13.0m revenue opportunity pipeline being targeted to expand distribution.

Ongoing business transformation to a leaner cost structure, further strengthening fundamentals.

TSN acquisition now complete, increasing the size and scale of Elixinol Wellness.



Sales and synergies drive trajectory to profitability and a sustainable business model.

Thank you

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 **ElixinolWellness**
Natural wellness for people and the planet



References

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2. Australian Industrial Hemp Alliance (Agrifutures RD&E plan 2022).
3. Global Data Report - "Australia Baking Mixes (Bakery and Cereals) Market Size, Growth and Forecast Analytics, 2021-2026" (published: September 28, 2022).
4. SMH "Humanisation of pets': Inside the \$4b-a-year pet vitamins boom" Emma Koeh (April 2, 2022).
5. Statista "CBD retail in the United States - Statistics and Facts" Jan Conway (August 14, 2023).