

Wellnex Life forms Joint Venture with OneLife Botanicals

Highlights:

- Wellnex forms a 50/50 Joint Venture with OneLife Botanicals for the manufacture, distribution and sale of cannabis and hemp-based products.
- OneLife Botanicals is a licensed Victorian producer and manufacturer of cannabis and hemp-based products.
- On achieving approval from the TGA on a Schedule 3 (S3) medicinal cannabis product, Wellnex will be issued 4% of OneLife Botanicals.
- The Joint Venture will allow Wellnex to be one of the first to market with a registered medicinal product under S3, while having full traceability of the whole production and manufacturing process.
- The Joint Venture will also be producing medicinal cannabis products under the SAS scheme by end of CY22.

Wellnex Life Limited (ASX: WNX) is pleased to announce it has formed a 50/50 Joint Venture with OneLife Botanicals (**OneLife**), that will bring registered medicinal cannabis and hemp-based products to domestic and international markets.

OneLife is a Victorian based licensed cannabis producer, manufacturer of cannabis and cannabis-based products. The company has a world class, fully operational, state of the art cannabis production, research and product development facility, with the capability and license to produce 20 tonnes of product per annum. OneLife recently acquired one of Australia's leading cannabis manufacturing facilities, Medipharm Australia, that will allow it to manufacture and bring to market medicinal cannabis products immediately ([OneLife Acquisition](#)).

The Joint Venture will have first right of refusal on all raw material and products produced by OneLife in relation to cannabis-based products. In addition, OneLife will be able to procure and produce products as required by the Joint Venture. Key Terms of the Joint Venture are attached as annexure to this announcement.

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This Joint Venture will enable Wellnex to be fast to market with cannabis-based products, including in the newly formed category of TGA registered products for the Schedule 3 (S3) market. With certainty of supply and the ability to manufacture bespoke products, Wellnex will be one of the few companies that will have full traceability of the whole production and manufacturing process of cannabis products, using Australian product and knowledge.

Wellnex has commenced the process to obtain registration of medicinal cannabis products under the S3 scheme, which has made medicinal cannabis products available as over-the-counter (OTC) medicine for the first time in Australia. This market is estimated to be worth circa \$3 billion by 2024 (Fresh Leaf Analytics H2 2021). With the Joint Venture, Wellnex is aiming to be one of the first companies to have a registered product in the S3 market by the end of CY23.

On obtaining the registration of an S3 product, Wellnex will earn a 4% stake in OneLife that will give the Company ownership across the whole value chain.

With access to a local world class manufacturing facility, approximately 90 minutes from Melbourne, this Joint Venture will commence production of registered products for the Australian market under the Special Access Scheme (SAS) by the end of CY22. The SAS market in Australia is currently valued at \$500 million annually and growing rapidly (Fresh Leaf Analytics H2 2021). Wellnex has had advanced negotiations with leading pharmacy retailers to range our products under this scheme once products are produced.

George Karafotias, CEO of Wellnex Life, said: “The Joint Venture signed with OneLife Botanicals marks an exciting step for Wellnex Life in being one of the first to bring cannabis-based products to the Australian market. We are targeting production of a medicinal cannabis product appropriate for the SAS market by the end of this year and are aiming to have a registered product in the S3 market by the end of CY23. We’re pleased to be able to partner with OneLife, who recently acquired, Medipharm Australia a world class cannabis manufacturing facilities, enabling Wellnex full traceability of the whole production and manufacturing process of cannabis products using Australian product and knowledge.”

Join a briefing

Wellnex Life CEO George Karafotias will be holding an investor briefing on Wednesday 20th July at 12pm (AEST) to provide a company update and discuss recent news.

To register, click here: <https://wellnexlife.investorportal.com.au/live-investor-briefing/>

This announcement has been authorised for release on the ASX by the Company's Board of Directors.

ENDS

Further information:

Company:

George Karafotias
Chief Executive Officer
Email: george.k@wellnexlife.com.au
Phone: 03 8399 9419

Investor Relations:

Sophie Bradley
IR Executive
Email: IR@reachmarkets.com.au
Phone: 0450 423 331

About Wellnex Life

Wellnex Life (ASX: WNX) is an Australian brand and distribution company of customer-focused health and wellness products. The company's large portfolio, first-to-market strategy and established retail distribution network provide an attractive business model for growth and profitability. Wellnex's mission is to deliver health, wellness and vitality solutions to consumers in Australia and worldwide.

To stay up to date with Wellnex Life news and announcements, register your details on the [Wellnex Life investor portal](#).

About OneLife Botanicals

OneLife Botanicals is a niche producer of medicinal cannabis in Melbourne, Australia. The company has a passion for developing and producing products that provide a range of health benefits and assist in treating a range of specific health conditions.

The company operates an existing cultivation site with extensive Infrastructure, including fit for purpose glasshouses for growing Medicinal Cannabis in a controlled environment. The glasshouses facilitate the optimum growing environment through temperature and climate control, allowing natural sunlight to be maximized in a protected and secure environment.

The Directors and stakeholders are focused on identifying and exploring market opportunities, along with embracing innovation in the production processes. The success of the business is able to be achieved with an extensive Research and Development program, aimed at staying ahead of changes in growing methods, technological solutions and product applications, along with advanced automation ensuring that we minimize operating expenditure and maximise quality control.

The organisation is committed to make the health benefits of this natural and powerful plant available to everyone seeking to improve their OneLife.

Key Terms of Joint Venture

1. The Joint Venture (JV) will have first right of refusal on all raw material, products (whether manufactured or sourced from third parties) produced by OneLife in relation to cannabis based products.
2. The JV will exclusively purchase all cannabis based products from OneLife, unless OneLife cannot provide the necessary products on terms and conditions offered by other suppliers.
3. The JV will license from Wellnex all regulatory licenses for the associated products.
4. The JV will also develop and sell products under a jointly developed brand.
5. In the event Wellnex achieved registration of an S3 medicinal product, Wellnex will secure 4% of OneLife Botanicals.
6. The JV is subject to Wellnex and OneLife finalising and executing full transaction agreements including Shareholder and Supply Agreements.