

Wellnex Life Limited (ASX:WNX) Pain Away Acquisition Update

Key Highlights

- Agreement signed for the acquisition of Pain Away reducing upfront payment and dilution to shareholders
- Pain Away completion payment of \$12.8 million plus inventory with a deferred consideration of 2 equal payments of \$2.9 million in 12 and 18 months from the completion date
- Wellnex as part of the consideration will issue 20 million fully paid ordinary shares escrowed till May 2024
- Planned Settlement date of 20 October 2023
- In the process of restructuring Convertible notes to extend term a further 12 months till July 2025, with in principle terms agreed with the largest note holder.
- Through Wellnex's Australian lead manager Barclay Pearce Capital, the company has received an offer from a UK Financial and Nominated Advisor (NOMAD) to commence a London Stock Exchange listing process in 2024 (subject to completion of due diligence)

Wellnex Life Limited (ASX:WNX) ("**Wellnex**" or "**Company**") following the announcement on 18 September 2023, is pleased to confirm agreements have been signed for the acquisition of Pain Away, reducing the completion payment with a deferred consideration to paid in two equal instalments in 12 and 18 months from completion.

Pain Away Acquisition

Wellnex has entered into binding agreements to acquire Pain Away on new terms, with the completion payment reducing from \$19.8 million to \$12.8 million plus inventory (target inventory of \$1.15 million). The parties have agreed that the balance will be paid as deferred consideration of 2 equal payments of \$2.9 million in 12 and 18 months from completion.

Wellnex will also issue 20 million fully paid ordinary shares at \$0.05 escrowed until May 2024.

All other material terms and conditions are as identified in the announcement on 25 May 2023, with a planned settlement on 20 October 2023 with the Company expecting to resume trading on settlement. As the Company is now completing the transaction under the new terms, it will lodge its FY23 audited full year accounts and annual report before 16 October 2023.

The Company had previously sought and received, at its general meeting held on 13 July 2023 (**Meeting**), approval pursuant to Listing Rule 7.1 to issue shares under the Second Placement (as that term is defined in the notice of Meeting dated 9 June 2023). Under Listing Rule 7.3.4, the Company is required to issue the Second Placement shares within 3 months of the date of the Meeting, by 13 October 2023. In order to facilitate the updated timetable of the Second Placement (which is expected to complete on or before the intended transaction settlement date of 20 October 2023), the Company intends to apply to ASX for a waiver from Listing Rule 7.3.4 to the extent necessary to permit the Company to issue shares under the Second Placement later than three months after the date of the Meeting.

The Company will keep shareholders informed of the progress of its waiver application.

This new agreement with Pain Away is a better outcome for shareholders as it reduces the upfront payment and dilution to shareholders and allows for the Pain Away business to pay for the deferred consideration without the need for another capital raise.

Convertible Notes

Wellnex is in the process of re-structuring the convertible notes (announced on 2 June 2022) to allow Wellnex to service and redeem the notes (in the event of a redemption notice) using the cash generated by the business. This will resolve any going concern issues. The restructure of the convertible notes will be subject to shareholder approval at the upcoming Annual General Meeting in November. Pure Asset Management has already agreed to the extension.

The proposed new terms are as follows:

- Maturity: July 2025
- Conversion Price: \$0.08 per share
- Coupon Rate: 13%
- Early Redemption: Ability to redeem note from March 2024 with a 3-month penalty interest if paid before expiry of note

Wellnex thanks both Reach Corporate and Pure Asset Management for both their support of Wellnex including in the transformative acquisition of Pain Away.

London Listing

Wellnex is growing its international business primarily through the planned launch of its owned brands **Wakey Wakey, Nighty Night, The Iron Company, Mr Bright and Pain Away** and expanding on launches with world leading pharmaceutical companies including Haleon. This planned growth has resulted in Wellnex receiving an offer to consider listing Wellnex on the London Stock Exchange in 2024.

This is being led by Barclay Pearce Capital, with Wellnex in a due diligence phase to enter into a binding mandate with a UK NOMAD to commence the LSE IPO process.

This ASX announcement has been authorised by the Board of Wellnex Life Limited (ASX:WNL).

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About Wellnex Life

Wellnex Life Limited (ASX: WNL) is a consumer healthcare business with a track record for developing, licensing, and marketing registered products and brands to customers in the growing healthcare market segment. Since listing in 2021, Wellnex Life has successfully launched a host of brands and products now ranged in major retailers in the healthcare market space, pharmacies and supermarkets included. Its distribution arrangements have seen Wellnex Life secure significant licensing arrangements with major pharmaceutical companies in Australia and globally that have given the company's registered products a distribution channel with a steadily increasing global geographic footprint.

Wellnex Life has more recently acquired leading Australian topical pain relief brand Pain Away. Its addition to Wellnex Life's product offering both compliments and accelerates the potential growth of the company's business operations. This transformational acquisition gives added impetus to Wellnex Life's financial growth and scale and reinforces its place as a major and respected participant in the growing healthcare market, both in Australia and overseas.

To learn more, please visit: www.wellnexlife.com.au/