

COMPLETION OF PAIN AWAY ACQUISITION

Highlights

- Wellnex successfully completes the strategic and financially compelling acquisition of Pain Away
- Entitlement Offer and Shortfall Offer raise \$13.6 million with additional interest received from institutional and sophisticated investors post Entitlement Offer allowing Wellnex to raise approximately \$3.5 million through a placement to fund working capital and growth initiatives
- Acquisition adds to significant Company milestones in the past six months including:
 - Launch of new products under Wakey Wakey and new brand Nighty Night ranged in all major pharmaceutical and grocery retailers
 - Global expansion of the Haleon supply agreement into Europe and the Middle East commencing in 2024
 - Appointment of new board members including Chemist Warehouse director, Mr Mario Tascone, as Chair, and Mr Andrew Vidler and Mr Jeffrey Yeh as Non-Executive Directors with effect from January 2024

Wellnex Life Limited (**Wellnex, WNX** or **Company**) (ASX:WNL), owner and developer of some of Australia's leading health brands, is pleased to announce the successful acquisition of Pain Away. The transformative acquisition is aligned with Wellnex's strategy of owning brands and intellectual property in defensive healthcare segments and provides the Company with significant product and geographical expansion prospects.

Wellnex's Non-executive Chair-elect Mario Tascone commented *"I'm excited to be joining Wellnex as Chair, and to further strengthen the board after the appointment of Jeffrey Yeh and Andrew Vidler. As new appointments, we all look forward to ensuring the highest corporate governance and bringing our expertise to drive the business forward."*

Wellnex's Managing Director Zack Bozinovski said *"The Pain Away acquisition is perfectly aligned with Wellnex's strategy going forward. There are significant operational efficiencies to be realised when leveraging Wellnex's existing infrastructure, business processes and workforce which will supercharge Pain Away's growth in the short and medium term. Longer term, we are excited to utilise Wellnex's new product development pipeline to launch Pain Away into additional category segments and geographies and believe the brand is highly complimentary to Wellnex's medicinal cannabis product launch strategy."*

Overview of Pain Away

Established in 1999, Pain Away is the largest Australian-owned topical pain relief brand and second largest provider of topical pain relief products in Australia in market share terms. The business develops and manufactures topical pain relief products focused on joint and muscle pain using all natural ingredients.

The current product range consists of 25 individual stock keeping units (**SKUs**) across five main categories: creams, sprays, patches, lotions, and other (primarily tablets, capsules and bath salts).

These products are distributed nationally through over 6,000 pharmacy outlets across Australia including Chemist Warehouse, Terry White Chemmart, Priceline Pharmacy and Amcal, as well as grocery retailers including Woolworths, Coles and Aldi.



Launch of New Products and Brands

Wellnex, as announced on 6 July 2023, released five new products to its current range of Wakey Wakey and the launch of a new sleep aid brand Nighty Night. These new products have achieved national distribution in key pharmacy and grocery retailers and have continued to see growth in sales month on month.



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Global Expansion of Haleon Arrangement

Wellnex, as announced on 29 June 2023, signed an extension of its supply agreement with Haleon to increase the product offering and territories to take advantage of the unique and innovative products Wellnex has developed. Under the extension of the agreement, during 2024 Wellnex will commence supplying Haleon into the European and Middle East markets utilising its Australian TGA registrations for an assortment of its liquid soft gel analgesics.

Haleon is a world-leading consumer healthcare company that owns brands including Panadol, Sensodyne, Voltaren, Polident, Centrum, Otrivin and Advil. The extension of the Agreement highlights the scale benefits of Wellnex's business model of developing innovative healthcare products and intellectual property and accelerating distribution via significant partnership arrangements. This model allows Wellnex to supply its innovative product under a trusted brand and enables the Company to secure valuable agreements with leading partners, such as Haleon.

Wellnex Board Changes

Wellnex has recently enhanced the Board with key Chair and Director appointments that will bring the Company industry experience and enhanced corporate governance. The new Board appointments will be effective from January 2024.

Mr Mario Tascone. Mr Tascone has a long history of success in the consumer health and wellness market and will use his experience to guide and drive the company to take the advantage of the growing health and pharmaceutical market.

Mr Andrew Vidler. Mr Vidler has over 30 years' experience in retail, consumer health products and retail pharmacy. Andrew in his over 30 years' experience includes nearly 20 years with the EBOS Group (formerly FH Faulding, Mayne Group and Symbion), where across many roles he led the Terry White and Chemmart pharmacy brands and the Endeavour consumer health products business and most recently was responsible for the Priceline retail and pharmacy business.

Mr Jeffrey Yeh. Mr Yeh has over 21 years' experience in all aspects of pharmaceutical sales, marketing, production, quality assurance, operations, logistics, finance and management. Jeffrey co-founded Homart Pharmaceuticals in 2002, and since then has grown Homart into a premier and award winning manufacturing and brand business with over 200 employees and an international presence.

Mr Kobe Li. Mr Li will retire as Director, with effect from January 2024. Mr Li will remain with Wellnex in his capacity as Company Secretary.

Wellnex's Board of Directors will, after the above-mentioned Board changes are effective, comprise the following:

- Mario Tascone – Non-executive Chair
- George Karafotias – Executive Director and Chief Executive Officer
- Zack Bozinovski – Executive Director and Managing Director
- Eric Jiang – Independent Non-executive Director
- Andrew Vidler – Independent Non-executive Director
- Jeffrey Yeh – Non-executive Director

Entitlement Offer and Shortfall Offer

The Company has successfully completed the placement of entitlements (**Shortfall Offer**) not taken up by eligible shareholders and entitlements that ineligible shareholders would have been entitled to if they had been eligible shareholders under the pro-rata non-renounceable entitlement offer announced to the market 13 November 2023 (**Entitlement Offer**). The Entitlement Offer raised a total of \$13.6 million.

Follow-on Placement

Given additional interest in Wellnex following the announcement of the completion of the Entitlement Offer and Pain Away acquisition, The Company has received additional interest from institutional and sophisticated investors and has undertaken a follow-on placement to raise approximately \$3.5 million on the same terms as the Entitlement Offer (**Follow-on Placement**). Funds raised from the Follow-on Placement will be used to support working capital needs and accelerate growth of the business.

The New Shares under the Follow-on Placement will be issued on the same terms as the Entitlement Offer and under the Company's additional placement capacity that was approved by shareholders at Wellnex's annual general meeting on 14 December 2023. Wellnex intends to issue shares under the Follow-on Placement in two tranches:

- (a) Tranche 1: a \$1.5 million tranche (comprising 53.8 million shares and 17.9 million attaching options on a 1-for-3 basis) which settled Friday 15 December 2023; and
- (b) Tranche 2: a \$2.0 million tranche (71.4 million shares and 23.8 million attaching options on a 1-for-3 basis), expected to settle in February 2024.

Barclay Pearce Capital Investment Pty Ltd and Ord Minnett Limited acted as Joint Lead Managers to the Follow-on Placement.

Capital Raising Results

Following the completion of the Entitlement Offer, Shortfall Offer and Follow-on Placement, the total amount raised will be approximately \$17.2 million (before costs) as set out below:

Details	New Shares (# millions)	Attaching Options (# millions)	AUD (\$ millions)
Subscribed for under the Entitlement Offer	113.5	37.8	\$3.2
Subscribed for under the Shortfall Offer	373.8	124.6	\$10.5
Subscribed for under the Follow-on Placement	125.3	41.8	\$3.5
Total	612.6	204.2	\$17.2

Additional Information

Further details of the Entitlement Offer and Shortfall Offer, including their effect on the Company, are set out in the prospectus and supplementary prospectus, which were lodged with ASX. The prospectus and supplementary prospectus contain important information including key risks with respect to the Entitlement Offer and Shortfall Offer. This announcement should be read together with the disclosures made in the prospectus and supplementary prospectus.

The Board has authorised that this document be given to the ASX.

- ENDS -

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About Wellnex Life

Wellnex Life Limited (ASX: WNX) 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 agreed to acquire 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/

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