

Company Update

Highlights

- Wellnex achieves trading profit in February from normal operations
- Pain Away transaction delivers for Wellnex with revenue and margins aligned to budgeted expectations
- Acquisition of Pain Away has resulted in efficiencies in the business with circa \$1.5 million per annum in savings identified and implemented in February.
- Strategic Investor signs binding commitment to increase placement from \$2 million to \$3 million on the same terms as the entitlement issue in December representing an 11% premium to the last traded price.
- Half-Year accounts will be released to the market by Wednesday 6th of March with the delay being due to the incorporation of the Pain Away acquisition and associated corporate activities.

Wellnex Life Limited (**Wellnex, WNX** or **Company**) (ASX:WNX) is pleased to provide a company update with the acquisition of Pain Away transforming the business.

Pain Away and Trading Update

Pain Away, with its substantial revenue and margins has changed the financial profile of Wellnex and has allowed the business to find efficiencies of circa \$1.5 million in annual savings identified and implemented without effecting the operations of the business.

Sales of Wellnex's owned brands continue to grow with February sales coming in at a record \$1.3 million at an average margin of 41% compared to FY23 historical margin of circa 20%. The combined Wellnex business result in February showed the company recording a profit. Contract manufacturing purchase orders remain buoyant, with Wellnex currently holding more than \$3.2M in purchase orders. Globally there are ongoing discussions with numerous parties to increase the range of softgel products that Wellnex currently holds TGA approvals for. Purchase orders for the recently communicated Haleon UK launch are still pending.

Placement

Further to the announcement on 18 December 2023, Wellnex has entered into a binding commitment with Pearl Funds Management to increase their investment from \$2 million to \$3 million on the same terms of the entitlement issue conducted for the acquisition of Pain Away (\$0.028 per share and a 1:3 attaching option at \$0.05 expiring 30 June 2025). This represents an 11% premium to the last traded price and reflects the increased confidence in the business since the acquisition of Pain Away.

The first part of the placement has been received by the company with the balance of \$2 million to be received in March 2024.

Half Year Review

Wellnex is in the final stages of completing its half year accounts with its auditors, with additional time required to ensure the transaction to acquire Pain Away and all associated capital raising and refinancing of the convertible notes is correctly and accurately reflected in the accounts.

Wellnex will release its accounts by no later than Wednesday 6th of March.

- ENDS -

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

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About Wellnex Life

Wellnex Life Limited (ASX: WNLX) 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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