

## Wellnex Life Limited (ASX:WNX)

Appendix 4E – Preliminary Final Report FY2024

### Investment Highlights

- Revenue for FY24 of \$16.9 million with revenue in the second half of FY24 up 100% over the first half of FY24
- Margins for FY24 up 76% compared to FY23 from 17% to 30%, with margins in the second half of FY24 increasing to 40%
- Margin in dollar terms increasing by 6.5% to \$5 million from \$4.7 million in FY23 despite revenue decreasing in FY24 by 39.3% compared to FY23, due to the exit of all brokerage arrangements at the end of FY23
- Normalised EBITDA loss for FY24 down 26.5% compared to FY23 of \$5 million, with 90% of the total loss incurring in the first half of FY24.
- Net Assets of Wellnex Life as at 30 June 2024 was \$7.1 million compared to \$0.6 million as at 30 June 2023
- Strong platform of growth for FY25 to drive increased revenue, and strong margins between 36% and 40% and profitability

**Wellnex Life Limited (ASX) ("Wellnex Life" or the "Company")** is pleased to release its Appendix 4E for Financial Year 2024 (**FY24**) and to provide the following operational update.

The FY24 period was one of two halves, where the first half of FY24 performance was severely impacted by the delay in finalising the transformational acquisition of Pain Away, with the second half of FY24 performance validating the company's pursuit in acquiring Pain Away.

FY24 has provided Wellnex Life with the platform to grow its revenue, maintain strong margins of between 36% and 40% and become a profitable business.

Revenue for FY24 was \$16.9 million which was a decrease of 39.3% from FY23 (FY23: \$27.8 million), with the reduction in revenue being a deliberate strategy by the company with the exiting of all low margin brokerage arrangements at the end of FY23 of circa \$13 million.

Revenue in the second half of FY24 increased by over 100% compared to the first half of FY24 to \$11.3 million (1HFY24: \$5.6 million).

Wellnex Life decision to exit all brokerage arrangements has been validated by the increase in margins in both dollar and percentage terms. Margins as a percentage increased by 76% in FY24 compared to FY23 to 30% (FY23: 17%), with the second half of FY24 margins at 40%.

Wellnex Life also saw a rise in margins in dollar terms despite a 39.3% decline in revenue, with margin contribution in FY24 up 6.5% to \$5 million (FY23: \$4.7 million), with the 2H of FY24 contributing 90% of this margin contribution.

Loss for FY24 was \$14.7 million, which was impacted by non-cash and one-off expenses (in relation to Pain Away) of \$10.2 million, with the normalised EBITA loss for FY24 down 26.5% to \$5 million (FY23: 6.8 million). The transformation of the Company in 2H FY24 is further evidenced by the normalised EBITDA loss for FY24 of \$5 million of which 90% was incurred in the 1H FY24. The loss in 2H FY24 was \$0.5 million.

# WELLNEX

On a pro-forma basis, if Wellnex Life had a full 12 months trading with the Pain Away portfolio in FY24, the normalised EBITDA would result in the Company breaking even.

The total assets of the entity at 30 June 2024 were \$31.4 million (30 June 2023: \$15.0 million), an increase of 110%, with net assets of the entity were \$7.1 million (30 June 2022: \$0.6 million).

Wellnex Life at the completion of the period raised circa \$2.4 million, with participation from UK brokers and high net worth clients as it prepares the company for a dual listing on the London Stock Exchange, with funds raised to extinguish all liabilities of the company.

Wellnex Life next step is to increase shareholder value and to continue to strengthen the balance sheet which in turn will accelerate the company's growth in both revenue, margins and profits.

Wellnex Life has many growth drivers in FY25, that will increase revenue and maintain strong margins of between 36% and 40% . Wellnex Life has growing brands across all the main categories of the health and pharmaceutical market, growing IP licensing arrangements with Haleon and Arrotex and 2 joint ventures with OneLife and Chemist Warehouse.

## 1. Pain Away

Wellnex Life acquired Pain Away (Australia's number 1 natural topical pain relief brand) in December 2023. The brand has had a long history of growing revenue and margins, large brand recognition and opportunities to grow distribution both in the domestic and international market. Pain Away since the acquisition has delivered the company strong revenue, margins and profits. , The company is working on some exciting developments to take advantage of the opportunities that the Pain Away brand acquisition offers.

## 2. Wakey Wakey

Wellnex in FY24 expanded the Wakey Wakey range to now include six product lines to take advantage of the strong growth in both distribution and sales. In July 2024 Wakey Wakey further expanded its product offerings by bringing to market Australia's first caffeine energy supplement in a soft gel to take advantage of the growing demand of caffeine energy products in a popular soft gel format. The strength of this brand can be attributed to major retailers ranging the complete product offering of this new and innovative brand that will continue to grow in FY25 and beyond.

## 3. Nighty Night

Nighty Night is Australia's first natural sleep aid product in an effervescent format, which in approximately 12 months has gained significant distribution in both the grocery and pharmacy channels. The brand was launched to take advantage of the growing demand from consumers looking for assistance in achieving a good night's sleep. Wellnex Life anticipates to see significant growth of Nighty Night continuing in FY25 in both distribution and sales.

## 4. The Iron Company

Wellnex Life launched Australia's first slow-release iron gummy under the brand The Iron Company, with the uniqueness of this product resulting in the brand being ranged in major pharmaceutical retailers. The Company anticipates further growth in sales in FY25 as brand

# WELLNEX

awareness continues to increase, with the Company looking at the possibilities of expanding the product offering in FY25.

## 5. Wagner Health Liquigesics

The joint venture brand with Chemist Warehouse continues to go from strength to strength with strong sales in FY24 that are expected to continue to show good growth in FY25. Wellnex with Chemist Warehouse continues to expand its product offerings under this brand which currently stands at 6 SKU's. All intellectual property in regard to the products under this brand are the property of Wellnex and used in our other brands and also in our IP licensing arrangements.

## 6. Mr Bright

Mr Bright, a teeth whitening brand, was purchased by Wellnex in FY23 with distribution channels in the USA and UK and on-line channels but has poor penetration in the Australian market. Wellnex in FY25 will look at further expanding the distribution of Mr Bright both domestically and internationally to take advantage of the growing high margin oral care market.

## 7. Medicinal Cannabis

Wellnex Life in July 2024 launched a new medicinal cannabis brand – Wellness Life in a joint venture with leading medicinal cannabis manufacturer, One Life Botanicals, for the growing SAS market in Australia. Chemist Warehouse as part of the joint venture will partner with Wellnex Life and One Life Botanicals to assist in growing Wellness Life in being a brand of choice for the lucrative medicinal cannabis market that will allow Wellnex to have access to locally produced and manufactured high quality medicinal cannabis products at a competitive price for the SAS-B market. The SAS market is estimated to grow to circa \$600 million in FY25 and with the strategic relationships secured, puts Wellnex Life in a strong position to take advantage of this opportunity.

## 8. IP Licensing – Haleon

Wellnex Life in developing innovative and unique products continues to grow its contract manufacturing business partnership with Haleon, on the back of the successful launch in the Australian market. Wellnex Life announced that Haleon will increase the range of products purchased from Wellnex Life and also expand the agreement for launches into the UK and UAE. In August 2024, Wellnex Life received its first purchase order for the UK market launch. The continued growth in this partnership will result in significant revenue for the company and increased profitability in FY25 and beyond. This is a testament to the innovation being undertaken at Wellnex Life.

**George Karafotias, CEO of Wellnex**, said: “Financial Year 2024 was a year of two halves where the first half was impacted by the delays and costs associated with acquisition of Pain Away, but on any metric the pursuit and finalisation of Pain Away has been justified. The second half of FY24 has resulted in an increase in revenue and margins and has set up the company to become profitable, in FY25, with our unique and innovative brands continuing to gain traction. The continued expansion of our IP licensing arrangement and the expansion of our JV brands including the new medicinal cannabis brand – Wellness Life will all contribute to a strong year ahead.”

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

# WELLNEX

For further information, please contact:

## **Wellnex Life Limited (ASX:WNX)**

George Karafotias

Chief Executive Officer

P: +61 3 8399 9419

E: [george.k@wellnexlife.com.au](mailto:george.k@wellnexlife.com.au)

## **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 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/](http://www.wellnexlife.com.au/)

For personal use only