



**ASX Announcement  
6th February 2020**

## **UPDATE TO TRUE SOLUTIONS DISTRIBUTOR NETWORK**

**MELBOURNE: 6th February 2020: Wellness and Beauty Solutions Limited (ASX: WNB)** (“WNB” or “the Company”), an Australian beauty, wellness and lifestyle brand business, provides an update to shareholders in relation to its distributor contracts in True Solutions International Pty Ltd (True Solutions), which was acquired by WNB in August 2019.

WNB received notice this week that True Solutions' exclusive distribution agreement with HydroPeptide LLC for distribution of HydroPeptide products in Australia and New Zealand will conclude 10 months early. The agreement has been in place since August 2015 and was due to expire in December 2020.

HydroPeptide is one of eight brands that True Solutions currently distributes to its customers.

As announced on 29 August 2019, the acquisition of the True Solutions business was expected to provide an additional \$6 million of annualised revenue. The contract with HydroPeptide represents approximately 30% of this annualised amount, reduced pro rata having regard to the remaining term of the contract.

However, WNB considers that it is well positioned to execute strategies to marginalise the cash flow impact on the Company, in light of the following factors:

- stock on hand of HydroPeptide products to service clients in the near term;
- a range of high quality, substitute products within its existing portfolio, such as Priori, Aesthetics RX, Ilcsi, and Glo Skin Beauty to service clients throughout the transition phase;
- release of any obligation to purchase minimum product quantities stipulated in the HydroPeptide contract;
- removal of marketing and other expense lines associated with the contract; and
- ability to leverage the expanded client base acquired through the True Solutions business to scale up The Giving Brand Company's product volumes and range with existing suppliers as well as arrangements with new suppliers; and

Ms Christine Parkes, Wellness and Beauty Solutions Managing Director said, "while the Company is disappointed HydroPeptide has elected to conclude the contract slightly earlier than planned, the advancement in anti-ageing technologies and alternative brand ranges allows WNB to introduce new, high quality products."



"The exclusive nature of this agreement limited the Company's ability to introduce competitive products. Whilst it was the Company's intention to complete the full term of the agreement, we are in the fortunate position where we have several replacement product options already in our broader portfolio, and are pursuing alternative, high quality product offerings for our Australian and New Zealand customers."

WNB is implementing an active scale up program to capitalise on the growing anti-ageing, wellness and beauty industries. It has retail agreements for its brands with major retailers including Chemist Warehouse, Woolworths, MYER and Sportsgirl. In addition, WNB has several domestic and international agreements that are in advanced stages of negotiation, which will be announced in due course.

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This announcement has been approved for lodgement by the Board of the Company.

**For more information contact:**

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**About Wellness and Beauty Solutions Limited**

Wellness and Beauty Solutions Limited has a suite of owned and licensed wellness, beauty and lifestyle brands and a network of nine *Immersion Clinical Spas* in Australia.

The clinics provide non-invasive medical aesthetic (NIMA) and wellness and beauty services using a highly experienced team of doctors, aesthetic nurse consultants, dermal therapists and beauty consultants.

Our suite of brands is sold to the professional and retail markets via our wholly owned subsidiaries The Giving Brands Company (GBCo) and True Solutions Australia (TSA). Our expanding brand portfolio includes, ELLE Makeup, ELLE kids, ELLE Baby, Jbronze, TANNED, nailKALM, Aesthetics RX, Glo Skin Beauty, Priori, Nanopore, Ilcsi, Lightfusion, and OMNILUX.