



ASX Announcement
26 August 2020

Acquisition of Organic Nation expands True Solutions Portfolio

Highlights:

- WNB acquires Organic Nation cosmeceutical range
- Products to be sold through True Solutions
- Initial consideration of \$250K in scrip, cash payment of stock expected to be \$120K, and remainder subject to key performance milestone in Year 1 (to a maximum of \$300K).
- Organic Nation founders join WNB team with shares escrowed for 12 months

MELBOURNE: 26 August 2020: Wellness and Beauty Solutions Limited (ASX: WNB) (“WNB” or “the Company”) has today announced the acquisition of a business (and not the Company), Organic Nation, which owns an extensive range of organic cosmeceuticals¹.

The anti-ageing skin and body care products in the Organic Nation range are currently sold in more than 100 clinics outlets in Australia and Canada.

Organic Nation’s products fuse ingredients from nature with cosmeceutical ingredients.

Founders of the Organic Nation brand, George and Vanessa Jilly, have been involved with leading global holistic skincare brands for over 25 years. George Jilly has been both a Director and Shareholder of Organic Nation Pty Ltd, owner of the Organic Nation brand, since its founding in 2015. Mr Jilly is not deemed to be a related party with respect to ASX Listing Rule 10.11 and as such no shareholder approval is required for the transaction.

Mr Jilly has joined WNB as General Manager of Brand Development and Creative in True Solutions (Aus) Pty Ltd and Vanessa Jilly as True Solutions product trainer. Their passion for organic skincare and experience in wellness lifestyle is invaluable to the success of Organic Nation and the broader True Solutions portfolio. The company will utilise its current professional locations across the True Solutions business to driver performance and capitalise the brand success with a solid infrastructure to support the growth.

Acquisition terms and consideration

The key terms of the sale agreement and consideration are:

- Issue of scrip to the value of \$250K, with a deemed issue price of \$0.007 per share;
- A cash payment to acquire all stock, which is expected to be \$120,000 and to be in two tranches. The first to occur immediately and the second at the conclusion of Stage 4 lockdown; and
- At the conclusion of Year 1, a cash payment to the seller equal to 15% of gross sales value of Organic Nation Product sold by True Solutions capped at \$300K.

¹ The term “cosmeceutical” has been commonly used in the anti-aging skin care market since the 1908s. It is a descriptor for products that are applied as a topical treatment of skin. Products in the range a combination of ingredients such as Palmatoyl Tripeptide-38 commonly known as Matrixyl, Vitamin A and fruit Acids.

A total 35,714,286 fully paid ordinary shares will be issued and escrowed for a voluntary period of 12 months from the date of issue. Shareholder approval is not required as the scrip consideration will be issued under WNB's current placement capacity in accordance with ASX Listing Rule 7.1.

WNB expects Organic Nation to generate around \$250K in revenue for the remainder of this financial year (FY21), based on previous financial results of Organic Nation for FY20, with the expectation to grow revenue to \$1M in annualised revenue over the coming years. The increase in revenue over the coming years is based on the Company's expectation from the benefit of the existing True Solutions network being leveraged. These benefits are attributed to being the owner distributor of the Organic Nation brand portfolio as opposed to being distributed by other third parties.

Christine Parkes CEO and Managing Director of WNB said: "There is unrealised potential in Organic Nation and we are confident that we can grow retail sales as the beauty sector start to reopen. It's an exciting product range that fits perfectly within our own philosophy of offering beautiful organic products that are scientifically backed to improve skin condition."

"A major benefit of this acquisition is the appointment of George Jilly to lead our True Solution business. His exceptional eye for identifying new products that address a gap in the market, and ability to commercially focus on the potential of those products is well established and he will be a strong leader to leverage the many opportunities in True Solutions."

George Jilly said, "I'm very excited to join WNB and lead the True Solutions team. We have a strong opportunity to expand our retail footprint of Organic Nation as well as leverage my network to support expansion of the entire True Solutions portfolio."

The Organic Nation product range can be viewed at <https://www.organicnation.com.au/>

Loan Settlement

In addition to the above, the Company advises that it has entered into an agreement to settle an outstanding loan, with Hennessy Capital Partners Pty Ltd (HCP), amounting to \$191,271, through the issue of fully paid ordinary shares. HCP is not a related party to the Company and the loan was previously entered into at arm's length with the Company's wholly owned subsidiary, The Giving Brands Company Pty Ltd, in 2018. The loan has previously been included in Company's Appendix 4C's in the financing facilities section.

A total of 23,908,890 fully paid ordinary shares, with an issue price of \$0.008 (0.8 cents) per share, will be issued utilising the Company's placement capacity in accordance with ASX Listing Rule 7.1.

-- ENDS --

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

For more information contact:

Investor Relations

Rebecca Wilson
WE Communications
rwilson@we-worldwide.com
+61 417 382 391

Media Enquiries

Trina Raymond
WE Communications
traymond@we-worldwide.com
+61 3 9866 4722

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.

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).

About the Organic Nation founders:

George and Vanessa Jilly are considered leading innovators in growing organic skincare products in Australia. In the late 1980s they formed a partnership with Dr Jurgen Klien of Jurlique – one of Australia’s leading and most successful organic skincare products. The Jilly’s entered a joint venture to build distribution through stand-alone brick and mortar stores and franchises Australia wide

The Jilly’s were directors of the Aveda Brand in Australia and formed a company which had exclusive distribution rights throughout Australasia to launch the Aveda Brand in Australia and, in partnership with another director, built a brand that was little known outside the USA. The Aveda Brand had a distinctive style that showed the world how natural ingredients and botanicals along with a strong corporate sustainability philosophy could be successful.

They then launched Uspa their own Skincare and Spa Brand in 1999, which quickly expanded to 12 countries prior to being acquired by ASX-listed BWX Limited (ASX: BWX) in 2013/14.

Disclaimer

All statements other than statements of historical fact included on this announcement including, without limitation, statements regarding future plans and objectives of the Company or any of the other parties referred to herein, are forward-looking statements. Forward-looking statements can be identified by words such as ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘intend’, ‘may’, ‘opportunity’, ‘plan’, ‘potential’, ‘project’, ‘seek’, ‘will’ and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of WNB that could cause actual results to differ from the results expressed or anticipated in these statements.