

Preliminary Final Report

- Report for FY21 (prior to acquisition of Brand Solutions Australia)
- Revenue and other income up 29.6% compared to PCP
- Loss from ordinary activities down 46% to PCP
- Cash loss from operations down 42% and cash reserves up 595% compared to PCP
- Revenue for FY22 budgeted to be in excess of \$21 million

Wellnex Life Limited (ASX: WNX) (the **Company** or **WNX**) is pleased to announce its preliminary financial report for FY21, the period under review was prior to the acquisition of Brand Solutions Australia (**BSA**) and the formation of Wellnex Life as listed on the ASX in July 2021.

FY21 for the Company was one of strategic realignment and transformation with major milestones achieved during the period, including the administration process and sale of Corio Bay Dairy Group (**CBDG**), the strategic review of the group's assets and the subsequent acquisition of BSA.

During the period, the Company continued to execute on its strategic plan and operational processes to improve the financial performance, building on work done in the previous financial year.

Revenue and other income increased by 29.6% to \$1.43 million compared to PCP, reflecting an increase in distribution and sales of the Company's existing Little Innoscents and Uganic brands.

Loss from ordinary activities decreased by 46% to \$24.9 million, with the loss attributed to non-cash write-down of assets and conversion of debt to equity, one-off expenses involving the administration of CBDG, termination of previous transaction, costs involved with the planned acquisition of BSA and birth of Wellnex. The cash from operations was \$4.45 million, a reduction of 42% compared to the PCP. The Company recorded an increase of 595% in cash reserves.

	\$'000
Loss Before Income Tax	(20,920)
Less One off and Non Cash Loss	
Share based payment	2,345
Depreciation	83
Loss on CBDG Disposal	8,346
Loss on acquisition of Little Innoscents	277
Impairment of assets	636
Movement of Fair Value of Assets	1,100
Finance Cost	1,520
Write-down on Inventory	770
CBDG Administration	800
Cancellation of previous transactions	593
Total Add Backs	16,470
Cass Loss (minus one off and non-cash expenses)	4,450

The Company continues to improve the financial performance of the business, which has been further enhanced by the acquisition of BSA, and has significantly increased the revenue of the group, which is currently budgeted at over \$21m in FY22. At the same time the company has continued the prudent capital management programme implemented during the turnaround.

The Company, post completion of the period, enhanced its financial position by the conversion of \$7.1 million in borrowing to equity at \$0.15 per share and raised a further \$2.1 million in a rights issue with funds received post close of the financial year.

Wellnex in taking a conservative approach wrote off its investments in Bland and Pack and Remarkable Milk, but with both operating as going concerns the company remains committed to at maximising the value of these investments for shareholders.



Wellnex expects to receive a final dividend of between \$500,000 and \$600,000 on the completion of the administration process of CBDG, and is providing support to the administrator to pursue a further \$3.7 million in preferential creditor payments.

George Karafotias, CEO of Wellnex Life, said: “The Board and Management of Wellnex Life are focused on the future. While revenue is already growing quickly, future revenue growth of the company is dependent on our ability to quickly and efficiently bring innovative health and wellness products to the Australian Market. Wellnex has in the short time since we listed, already shown our ability to do this evidenced by our Chemist Warehouse Joint Venture and Performance Inspired Licence Agreement. We are tremendously excited about our strategy and the potential for significant value creation for shareholders. Internally we have the infrastructure and experience to rapidly design, make and sell new health and wellness products. Together with our distribution, manufacturing and licencing partners, the potential to grow our share of revenues in the fast growing health and wellness market gives us confidence to pursue our strategy with vigour.”

This announcement has been authorised for release on the ASX by the Company's Board of Directors.

ENDS

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About Wellnex Life

Wellnex Life (ASX: WNX) is an Australian brand and distribution company of customer-focused health and wellness products. The company's large portfolio, first-to-market strategy and established retail distribution network provide an attractive business model for growth and profitability. Wellnex's mission is to deliver health, wellness and vitality solutions to consumers in Australia and worldwide.