

Wellnex Life Half Yearly Company Update to 31 December 2021

Announcement summary highlights:

- 18.5% increase in revenue from previous half yearly result to \$8.84 million
- 14.1% expansion in margins from previous half yearly result to 33.1%
- \$21 million FY22 revenue forecast on target to be achieved or beaten
- Revenue growth drivers for second half of FY22:
 - Woolworths to range *Wakey Wakey* and *The Iron Company* brand in the March quarter 2022
 - Wagner Liquigesic brand expansion with planned new product launches through Chemist Warehouse
 - Pharmacy Own brand launch with commencement of the Supply Agreement with CH2

Wellnex Life Limited (ASX: WNX), consumer-focused Australian health and wellness brand and distribution company, is pleased to provide an update on the financial performance on the first half of FY22.

Revenue

Revenue for the first half of FY22 was up 18.5% up on the prior corresponding period (PCP) to \$8.84 million (unaudited), with an additional \$1.6 million in Purchase Orders received to be invoiced in the second half of FY22.

The increase in revenue comes despite growth in sales being impacted by longer than expected supply timelines due to global logistic disruptions. To counter potential supply issues the Company has proactively added additional stock as a precaution against future logistic delays. Company revenue was impacted during October and November with the prolonged lockdowns in Melbourne and Sydney, however sales bounced back to normal levels in December.

Wellnex is on track to achieve the previously announced target of \$21 million in revenue for FY22 with the potential to surpass with the additional products and distribution agreements entered.

Wellnex with the release of new brands and products continues to increase its margins, up 14.1% compared to PCP to 33.1%.

Growth Drivers



Wellnex anticipates growth in the second half of FY22 from its existing brands and products in market but will further accelerate with the impending launch of Wakey Wakey and The Iron Company in both Coles and Woolworths, with initial purchase orders to be received in January. This will build on the extensive distribution network in pharmacy retailers with initial sales achieved tracking above budget.

Wellnex also anticipates further growth in the *Liquid Analgesic* product with continued growth in the Wagner Liquigesic brand and further interest from third parties around our product development pipeline.

Wellnex is currently working on the launch of the new exciting Pharmacy Own brand which will be sold under a supply agreement with CH2, who will distribute our products through its national network of distribution centres that services over 2,500 pharmacy stores nationally. First products will be available in the second half of FY22 with an aim to have 20 core products in market within 12 months.

The CEO of Wellnex Life, George Karafotias, said: "It has been a transformational 6 months for Wellnex with the Company experiencing significant growth in revenue despite many headwinds. This is testament to the strength of the business which will see continued growth in sales and margins in the fast-growing health and wellness market. The Company is working to continue to grow its business with new exciting brand launches over the next 12 months."

To stay up to date with Wellnex Life news and announcements, please register your details on the Wellnex Life investor portal: <https://wellnexlife.investorportal.com.au/register>

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

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About Wellnex Life

Wellnex Life (ASX: WNX) is an Australian brand and distribution company of consumer-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.