

Wellnex Life Acquires Teeth Whitening Brand – Mr. Bright

Highlights:

- Wellnex acquires premium teeth whitening brand, Mr Bright, for \$1.5 million in scrip at a minimum price of \$0.10 per share or the 5-day VWAP prior to settlement (whichever is higher) and potential earnouts for FY23 and FY24 based on EBITDA hurdles.
- Mr. Bright has developed a premium and effective range of take-home teeth whitening solutions using LED technology and vegan friendly formulations since 2016.
- Mr. Bright has growing revenue and profitability with annualised revenue of circa \$4 million and normalised EBITDA for FY22 of circa \$800,000.
- The acquisition further expands Wellnex's portfolio in the fast-growing health and wellness market, and is expected to increase Wellnex's overall margins.
- Join Wellnex CEO George Karafotias for an investor briefing next Thursday 15th September at 11am (AEST). [Register here](#).

Wellnex Life Limited (ASX: WNX) is pleased to announce it has entered into a binding Asset Sale Agreement to acquire 100% of the premium teeth whitening brand Mr. Bright (subject to shareholder and regulatory approval). Wellnex will acquire Mr. Bright for \$1.5 million in ordinary shares in Wellnex at a minimum price of \$0.10 per share or the 5-day VWAP price immediately prior to settlement, whichever is higher. There are additional potential earnouts for FY23 and FY24 subject to EBITDA hurdles (full details in the annexure). Shares issued under the acquisition will be voluntary escrowed as following:

- 50% of shares escrowed for 12 months from issue
- 50% of shares escrowed for 24 months from issue

Wellnex anticipates settlement to occur immediately after the Company's AGM to be held in November, subject to shareholder approval.

About Mr. Bright

Mr Bright, founded in 2016, is a teeth whitening brand that offers a range of premium and effective take-home teeth whitening solutions. Mr. Bright uses the latest in high-tech safe dental technology to give consumers their own brilliant smile. Mr. Bright products do not contain the commonly used harmful chemical hydrogen peroxide, instead using glycerine, sodium bicarbonate and cranberry to deliver whitening agents deep into the tooth enamel.

Mr. Bright has distribution channels in the USA and UK, as well as online sales channels, however the products have poor penetration in the Australian market. It is expected that Wellnex's relationships will expand the distribution channels domestically, significantly increasing revenue and profitability.

Mr. Bright has seen strong year on year growth and has a strong EBITDA margin of circa 20%, which is anticipated to increase as distribution channels expand and efficiencies are achieved post-acquisition. Annualised revenue for Mr. Bright was circa \$4 million and normalised EBITDA for FY22 was circa \$800,000, with continued growth in FY23 so far and ranging recently secured in Chemist Warehouse New Zealand.



The teeth whitening market has experienced significant growth driven by an increase in awareness of oral hygiene, rising acceptance of technological innovations in teeth whitening products and growing focus on aesthetics in the dentistry industry.

The global teeth whitening market is expected to be worth US\$8.2 billion by 2027 (Market Research; IBIS World). With a premium and effective product the Company anticipates significant growth in revenue and profitability for Mr. Bright into the future.

George Karafotias, CEO of Wellnex Life, said: "Wellnex is overjoyed to be adding to our diversified portfolio with the acquisition of premium teeth whitening brand, Mr. Bright. We expect to increase the brand value for Mr. Bright and grow revenue, margins and profitability for the wider Wellnex group. The acquisition supports Wellnex's objective of delivering innovative and quality brands and products into the fast-growing health and wellness market to meet consumer's changing preferences."



Join an investor briefing

Join CEO George Karafotias for an investor briefing next Thursday 15th September at 11am (AEST) where he will provide a company update and discuss the acquisition in more detail. [Register here](#).

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

ENDS

Further information:

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About Wellnex Life

Wellnex Life (ASX: WNX) is an Australian brand and product 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.

To stay up to date with Wellnex Life news and announcements, register your details on the [Wellnex Life investor portal](#).

Annexure – Key Terms of the Acquisition

- Wellnex Life acquiring 100% of the assets of Mr. Bright for \$1.5 million in fully paid ordinary shares in Wellnex Life (ASX:WNX) (subject to shareholder and regulatory approval)
- Shares will be voluntary escrowed as follows:
 - 50% for 12 months from issue
 - 50% for 24 months of issue
- Settlement to occur within 90 days, subject to shareholder and regulatory approval.
- Earnout for FY23:
 - FY23 EBITDA is \$500,000 or above, \$750,000;
 - FY23 EBITDA is between \$400,000 and \$499,999, \$562,500;
 - FY23 EBITDA is between \$300,000 and \$399,999, \$375,000; or
 - FY23 EBITDA is less than \$300,000, \$0.
- Earnout for FY24
 - FY24 EBITDA is \$600,000 or above, \$750,000;
 - FY24 EBITDA is between \$500,000 and \$599,999, \$562,500;
 - FY24 EBITDA is between \$400,000 and \$499,999, \$375,000; or
 - FY24 EBITDA is less than \$400,000, \$0.