

Company Update

Highlights

- Wellnex on track to meet its guidance of \$29 million for FY23, 55% higher than FY22.
- Wellnex guidance for FY24 budgeted for \$47.2 million (an increase of 63% on FY23), with higher gross margins from increased proportion of sales from wholly-owned brands.
- Continued growth in sales of Wellnex wholly-owned brands and IP licensing to continue, with new innovations launching in 2023.
- Continued growth in IP licensing (contract manufacturing) in both products and new territories in 2023.

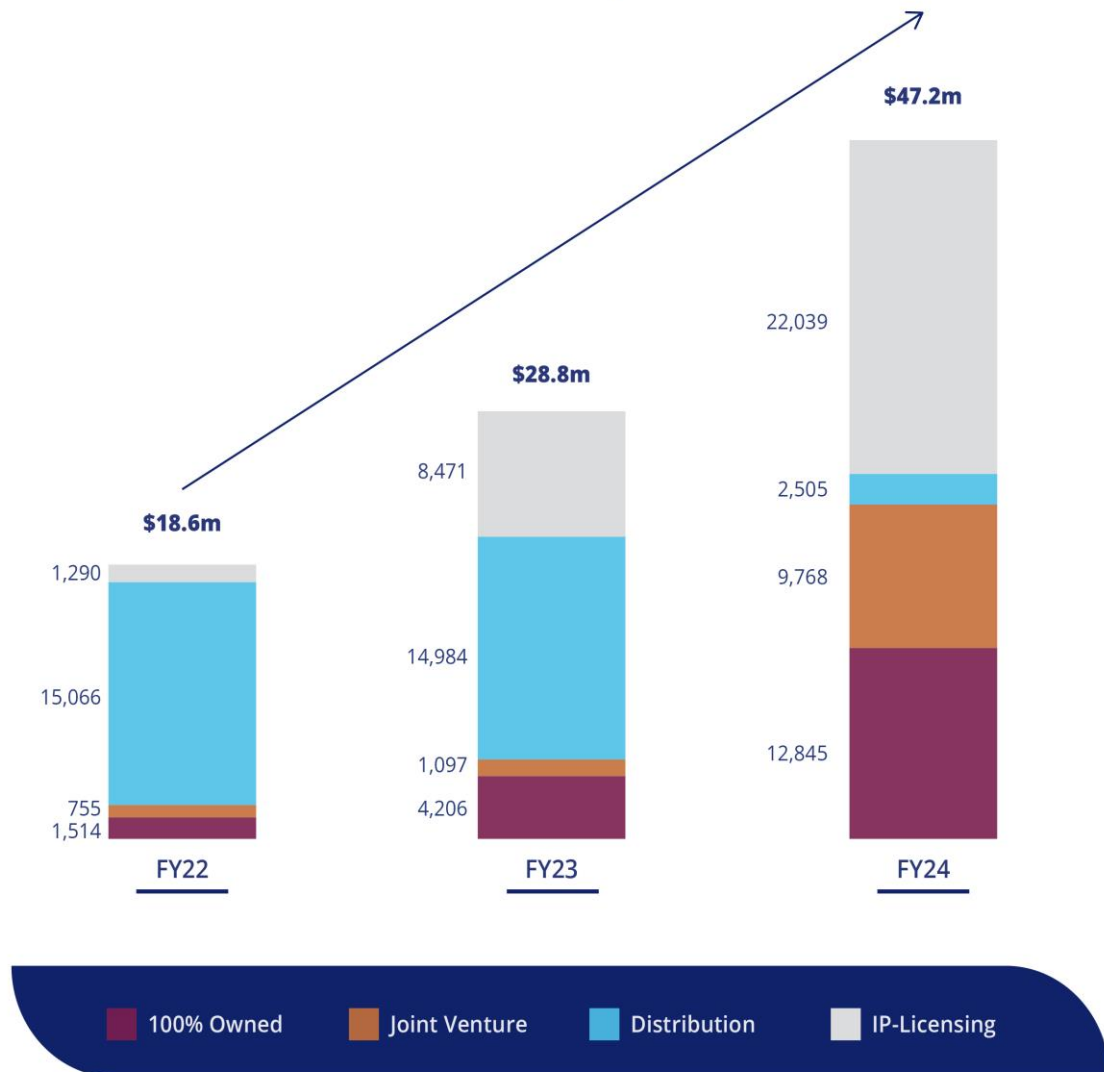
Wellnex Life Limited (ASX: WNX) (the **Company** or **WNX**), owner and developer of innovative healthcare brands and IP, is pleased to provide a Trading and Company Update.

Wellnex is on track to meet its guidance for FY23 of \$29 million (as announced on 1 July 2022), which reflects a 55% increase on FY22. This growth has primarily been a result of growth in Wellnex's brand offering and growth in its IP licensing.

Over the last 18 months, Wellnex has launched or acquired 5 new brands and secured IP licensing agreements with some large domestic and international pharmaceutical companies that will see revenue and margins accelerate even further in FY24.

Wellnex is budgeting for revenue for FY24 to be \$47 million, an increase of 63% compared to FY23, which will also coincide with an increase of gross margins as Wellnex's wholly-owned brands increase as a portion of total revenue. This will come from the continued growth of the brands through brand recognition and increased distribution channels, but also extension of the brands with new product being brought to market throughout 2023.

Revenue Composition



Wellnex's wholly-owned brands segment is budgeted to account for 27% of FY24 revenue compared to 15% in FY23, whilst the lowest margin segment being distribution arrangements is expected to reduce from 52% of total revenue in FY23 to 5% in FY24, which has been a deliberate focus of the Company to concentrate on its higher margin segment of the business that will accelerate its pathway to profitability.

Joint Venture brands with Chemist Warehouse and OneLife Botanicals are budgeted to increase from 4% of FY23 revenue to 21% in FY24, which also provides a healthy margin for Wellnex.



IP licensing continues to grow and profits from these arrangements go straight to the bottom line as there are minimal costs in facilitating these relationships.

George Karafotias, CEO of Wellnex Life, said: "Wellnex over the last 18 months has been laying the foundations to be a significant player in the health care market and that work is starting to pay dividends. Revenue for FY24 is expected to be \$47 million, an increase of 64% compared to FY23. This is in conjunction with an increase in overall gross margin as our brands continue to go from strength to strength. We will continue to see new products coming to market throughout 2023 that will further strengthen the financial performance of the Company".

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 Limited (ASX: WNX) is a consumer healthcare business that specialises in developing and licensing healthcare brands and products to bring to market. Listed in 2021, Wellnex has successfully launched and licensed cutting-edge brands in emerging specialty categories and has established key partnerships and agreements with leading companies in the Australian and global health space. Wellnex is focused on building a portfolio of brands and businesses that can improve the health of consumers, that will ultimately create value for shareholders.