

Wellnex Life Limited (ASX:WNX)

Q2 FY25 Quarterly Report and Appendix 4C

Highlights

- Quarterly cash receipts of \$3.89 million, an increase of 36% compared to the prior corresponding period (PCP) (Q2 FY24: \$2.85 million), with \$1.2 million in cash receipts received from November sales received post close of period
- Record sales for November and December of \$3 million per month with 56% of sales coming from Wellnex Life's brands
- Sales for 1H FY25 up 112% to \$11.94 million compared to PCP (1H FY24: \$5.63 million)
 - Sales from Wellnex Life's brands up 182% to \$8.47 million compared to PCP (1H FY24: \$3.0 million)
 - Sales from IP licensing for the 1H FY25 up 64% to \$3.47 million compared to PCP (1H FY24: \$2.12 million)
- First product for the UK market delivered and invoiced to Haleon
- Progression of dual listing on the London Stock Exchange (LSE) with marketing campaign in the UK commencing post close of period
- Appointment of UK based broker [SP Angel Corporate Finance LLP](#) ("SP Angel") to co-lead the UK fundraising with [Orana Corporate LLP](#) ("Orana") in respect of the dual listing
- Extension of Pain Away deferred consideration to coincide with the proposed dual listing on the LSE
- Placement for \$A0.95 million completed during the quarter with sophisticated investors at \$1.40 per share

Wellnex Life Limited (ASX:WNX) ("Wellnex Life" or the "Company") is pleased to provide the following operational update along with its Appendix 4C for the quarter ended 31 December 2024 ("**Q2 FY25**").

The Company recorded cash receipts for Q2 FY25 of \$3.9 million, an increase of 36% to the prior corresponding period (Q2 FY24: \$2.85 million), with an additional \$1.2 million received in January 2025 from November sales, with late receipt due to certain Christmas period related delays.

Wellnex Life during the period recorded consecutive months of sales in excess of \$3 million, with 56% of those sales generated from Wellnex Life's high margin brands. This contributed to Wellnex Life generating, in 1H FY25, sales of \$11.94 million, an increase of 112% compared to PCP (1H FY24: \$5.63 million), with brands sales up 182% and IP Licensing up 64%.

| | July – Dec 2023 | July – Dec 2024 | % Change |
|--------------|-----------------|-----------------|----------|
| Brands | \$3.0 million | \$8.47 million | 182% |
| IP Licensing | \$2.12 million | \$3.47 million | 64% |
| Brokerage | \$0.51 million | \$0 | N/A |
| Total | \$5.63 million | \$11.94 million | 112% |



Net cash loss for the quarter, of \$2.53 million impacted by the delayed payments of \$1.2 million received post-period, (Q2 FY23: loss of \$0.8 million). Wellnex Life during the quarter reduced marketing and advertising spend to \$0.36 million compared to the previous quarter of \$0.98 million. Production and operating spend was in line with the previous quarter of \$3.04 million.

Haleon

Wellnex Life, delivered to Haleon its TGA registered paracetamol soft gel liquid analgesic for the UK market.

The global expansion into the UK market builds on the successful Australian market launch which commenced in FY23.

This is a significant milestone for Wellnex Life, and is recognition that an innovative product registered with the TGA in Australia by the Company is being supplied to one of the world's largest consumer health businesses.

London Stock Exchange

Wellnex Life, as announced on 23 April 2024, and further updated on 24 October 2024, continues to progress its proposed dual listing on the London Stock Exchange with clear advancement of work streams required to commence the marketing campaign in the UK.

Leading UK based broker SP Angel have been appointed as joint broker to the UK raise with Orana, who are being supported by Australian based Barclay Pearce Capital.

Transaction Costs

Transaction costs in Q2 FY24 were \$0.7 million, comprising the completion of the placement during the period of \$0.95 million at \$1.40 per share and costs associated with progressing the proposed dual listing on the London Stock Exchange.

Related Parties Payments

Payments made to related parties as outlined under section 6.1 of the Appendix 4C relate to the director fees and salaries paid during the quarter.

This ASX announcement has been authorised by the Board of Wellnex Life Limited (ASX:WNX).

For further information, please contact:

Wellnex Life Limited (ASX:WNX)

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About Wellnex Life

Wellnex Life Limited (ASX:WNX) is a consumer healthcare business with a track record for developing, licensing, and marketing registered products and brands to customers in the growing healthcare market segment. Since listing in 2021, Wellnex Life has successfully launched a host of brands and products now ranged in major retailers in the healthcare market space, pharmacies and supermarkets included. Its distribution arrangements have seen Wellnex Life secure significant licensing arrangements with major pharmaceutical companies in Australia and globally that have given the Company's registered products a distribution channel with a steadily increasing global geographic footprint.

Wellnex Life has more recently acquired leading Australian topical pain relief brand Pain Away. Its addition to Wellnex Life's product offering both compliments and accelerates the potential growth of the company's business operations. This transformational acquisition gives added impetus to Wellnex Life's financial growth and scale and reinforces its place as a major and respected participant in the growing healthcare market, both in Australia and overseas.

To learn more, please visit: www.Wellnex Lifelife.com.au/

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

WELLNEX LIFE LIMITED

ABN

77 150 759 363

Quarter ended ("current quarter")

31 December 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 3,891 | 9,085 |
| 1.2 Payments for | | |
| (a) research and development | (136) | (266) |
| (b) product manufacturing and operating costs | (3,045) | (6,326) |
| (c) advertising and marketing | (364) | (1,341) |
| (d) leased assets | | |
| (e) staff costs | (830) | (1,872) |
| (f) administration and corporate costs | (322) | (682) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (100) | (371) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (GST refund/(paid)) | 77 | (76) |
| 1.9 Other (costs for CBDG administration) | 25 | 25 |
| 1.9 Net cash from / (used in) operating activities | (803) | (1,825) |

*Product manufacturing of circa \$1.5 million for the launch of Pharmacy Own and the launch of Nighty Night and new products for Wakey Wakey

**Circa one off marketing expenses of \$400,000 for the preparation for the launch of new Wakey Wakey lines and Nighty Night

| | | |
|--|-------|-------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | (447) | (612) |
| (c) property, plant and equipment | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| | (d) investments | - | - |
| | (e) intellectual property | - | (7) |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Loan repayment from other entity | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (cash acquired from CBDG Administration) | (53) | (136) |
| 2.6 | Net cash from / (used in) investing activities | (500) | (755) |

| | | | |
|-----------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 1,000 | 1,982 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (713) | (1,391) |
| 3.5 | Proceeds from borrowings | 3,756 | 9,033 |
| 3.6 | Repayment of borrowings | (2,765) | (7,806) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Share applications to be refunded | - | - |
| 3.9 | Other (repayment of lease liabilities) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 1,279 | 1,818 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 302 | 1,040 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (803) | (1,825) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (500) | (755) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,279 | 1,818 |
| 4.5 | Effect of movement in exchange rates on cash held | 1 | 0 |
| 4.6 | Cash and cash equivalents at end of period | 279 | 279 |
| | | | |

| | | | |
|------------|---|----------------------------|-----------------------------|
| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
| 5.1 | Bank balances | 279 | 249 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (funds held in trust) | - | 53 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 279 | 302 |

| | | |
|---|---|----------------------------|
| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 206 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

| | | | |
|-----------|---|---|--|
| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 | Loan facilities | 5,300 | (1,450) |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (Director's loan) | 2,513 | (2,525) |
| 7.4 | Total financing facilities | 7,813 | (3,975) |
| 7.5 | Unused financing facilities available at quarter end | | 3,838 |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | Secured Revolving Trade and Debtor Facility with Scottish Pacific of \$5.3 million Term: Minimum of 24 months (July 2023) Interest Rate: BBSY plus 4%. | | |

| | | |
|-----------|--|----------------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (803) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 279 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | 3,838 |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 4,116 |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | 5.1 |
| | <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 | If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| 8.6.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | N/A | |
| 8.6.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | N/A | |
| 8.6.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| | N/A | |
| | <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 Jan 2025

Date:

The Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.