

Wellnex Life Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Wellnex Life Limited
ABN:	77 150 759 363
Reporting period:	For the year ended 30 June 2025 ("FY25")
Previous period:	For the year ended 30 June 2024 ("FY24")

2. Results for announcement to the market (unaudited)

				\$'000
Revenues from ordinary activities	up	40.4%	to	23,625
Loss from ordinary activities after tax attributable to the owners of Wellnex Life Limited	up	13.6%	to	(15,604)
Loss for the year attributable to the owners of Wellnex Life Limited	up	13.6%	to	(15,604)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$15.6 million (FY24: \$13.7 million loss).

Revenue for the period was \$23.6 million an increase of 40.4% on the prior corresponding period (FY24: \$16.8 million). The increase in revenue primarily came from Wellnex Life's owned brands and in particular Pain Away which included trading for the first time for a full financial year.

Wellnex Life's gross profit margins were in line with the previous year at 29.1% or \$6.9 million (FY24: \$5.0 million) but were impacted by a one-off increase in trade investment in 1HFY25 which resulted in gross profit margins for this period being 23% which subsequently increased to 37% in 2HFY25.

Loss for the full year of \$15.6 million was up 13.6% on the prior corresponding period (FY24: \$13.8 million), with the loss in FY25 impacted by non-cash adjustments and one off expenses of \$10.7 million and finance costs of \$2.1 million.

The normalised EBITDA loss (excluding one-off expenses associated with the acquisition of Pain Away, the UK IPO and non-cash expenses) for the period was \$2.2 million, a decrease of 57.0% on the prior corresponding period (FY24: \$5.2 million loss).

Wellnex Life expects revenue to increase strongly in FY26 with gross profit expected to increase with a more disciplined trade investment plan, with the growth to come from:

- Continued growth of Wellnex Life's other brands
- Expansion of the licensing partner arrangements with continued growth in the domestic market and international markets

Financial Position

The total net assets of the entity at 30 June 2025 were \$11.3 million (at 30 June 2024: \$6.1 million), an increase of 85.6%.

Wellnex Life during the period via its dual listing on the AIM market of the London Stock Exchange, settled both the deferred consideration for Pain Away and the outstanding convertible notes.

Wellnex Life's next step is to target increasing shareholder value by continuing to grow its brands that will see a continuation of the strengthening of the balance sheet and will allow it to accelerate the company's growth in both revenue, margins and operational profitability.

FY25 - Transformational Year

Financial Year 2025 has laid the foundations for a pathway of Company growth and maximising operational profitability, with increasing revenue and strengthened balance sheet. The Company continues to see the benefit of Pain Away with increasing revenue and net margins of c.50%.

The successful dual listing of the Company on the AIM market of the London Stock Exchange, and the associated capital raising, resulted in the company settling the deferred consideration of Pain Away and the outstanding convertible notes of c.\$13 million, in aggregate.

Revenue for the period increased by 40.4% compared to the previous corresponding period to \$23.6 million (FY24: \$16.8 million), with gross profit margin for the period at 29.1% or \$6.9 million (FY24: \$5.0 million). Gross profit margin in the first half of the period was 23% or \$2.7 million which increased in the second half to 37% or \$4.2 million. Wellnex Life will maintain the disciplined trade investment plan in FY26, that will allow it to maximise margins and operational profitability.

Wellnex Life in FY26 has many growth drivers across the business that are expected to continue to increase revenue, maintain a healthy margin and a path to profitability, with its growing brands and expanding licensing opportunities.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(12.50)</u>	<u>3.58</u>

4. Control gained over entities and date control gained

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)
	Reporting period %	Previous period %	Reporting period \$'000
1LH Pty Ltd	50.00%	50.00%	(353)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>			
Profit/(loss) from ordinary activities before income tax			(353)

1LH Pty Ltd incurred a loss of \$706,000 of which the Group's share was \$353,000. This amount was not recorded in the consolidated statement of profit loss as recording this share of the loss would mean recording a value of the asset below \$nil.

9. Foreign entities

Not applicable.

10. Audit qualification or review

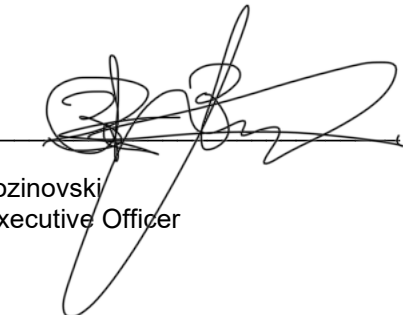
Details of audit/review dispute or qualification (if any):

This report, and the accompanying preliminary final report, are based upon accounts which are in the process of being audited. There is likely to be a material uncertainty on going concern disclosure within the audit report.

11. Attachments

Unaudited summary consolidated preliminary final report for Wellnex Life Limited and its controlled entities for the year ended 30 June 2025 are attached.

12. Signed

Signed 

Zack Bozinovski
Chief Executive Officer

Date: 29 August 2025

Wellnex Life Limited

ABN 77 150 759 363

Preliminary Final Report - 30 June 2025

Wellnex Life Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$'000	\$'000
Revenue from sale of goods		23,625	16,828
Raw material and consumables used		(16,746)	(11,859)
Gross profit		6,879	4,969
Other income		202	108
Net gain/(loss) on modification of the terms of convertible loans	6	(61)	663
Expenses			
Administrative and corporate expenses		(2,564)	(2,785)
Share based payments issued to third parties		(4,189)	(491)
Employee benefits expense		(4,009)	(4,584)
Selling, marketing and distribution expenses		(2,738)	(2,893)
Depreciation and amortisation expense		(1,379)	(774)
Impairment of assets		(1,482)	(4,445)
Transaction costs of the Pain Away acquisition & UK IPO		(3,636)	(1,112)
Finance costs		(2,627)	(2,395)
Loss before income tax expense		(15,604)	(13,739)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Wellnex Life Limited		(15,604)	(13,739)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Wellnex Life Limited		(15,604)	(13,739)
		Cents	Cents
Basic loss per share	10	(53.33)	(1.62)
Diluted loss per share	10	(53.33)	(1.62)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wellnex Life Limited
Statement of financial position
As at 30 June 2025

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		497	903
Trade and other receivables		2,593	4,382
Inventories	4	3,477	3,630
Prepayments and other current assets		1,538	980
Total current assets		<u>8,105</u>	<u>9,895</u>
Non-current assets			
Other receivables		-	120
Property, plant and equipment		10	28
Right-of-use assets		-	46
Intangibles	5	19,724	20,835
Total non-current assets		<u>19,734</u>	<u>21,029</u>
Total assets		<u>27,839</u>	<u>30,924</u>
Liabilities			
Current liabilities			
Trade and other payables		10,204	7,438
Contract liability		370	-
Borrowings	6	5,447	10,615
Lease liabilities		-	52
Employee benefit provisions		457	459
Deferred consideration	8	-	5,650
Other liabilities		-	564
Total current liabilities		<u>16,478</u>	<u>24,778</u>
Non-current liabilities			
Employee benefit provisions		112	86
Total non-current liabilities		<u>112</u>	<u>86</u>
Total liabilities		<u>16,590</u>	<u>24,864</u>
Net assets		<u>11,249</u>	<u>6,060</u>
Equity			
Issued capital	7	151,447	130,557
Reserves		776	2,085
Accumulated losses		<u>(140,974)</u>	<u>(126,582)</u>
Total equity		<u>11,249</u>	<u>6,060</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Wellnex Life Limited
Statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued capital \$'000	Share-based payment reserve \$'000	Convertible loan reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	112,424	3,250	477	(115,557)	594
Loss after income tax expense for the year	-	-	-	(13,739)	(13,739)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(13,739)	(13,739)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 7)	18,679	-	-	-	18,679
Vesting charge for share based payments	(546)	1,072	-	-	526
Expiry of options	-	(2,345)	-	2,345	-
Derecognition of reserve upon modification of the terms of convertible loans (refer to Note 10)	-	-	(369)	369	-
Balance at 30 June 2024	<u>130,557</u>	<u>1,977</u>	<u>108</u>	<u>(126,582)</u>	<u>6,060</u>

Consolidated	Issued capital \$'000	Share-based payment reserve \$'000	Convertible loan reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	130,557	1,977	108	(126,582)	6,060
Loss after income tax expense for the year	-	-	-	(15,604)	(15,604)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(15,604)	(15,604)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 7)	20,793	-	-	-	20,793
Expiry of options	-	(1,104)	-	1,104	-
Transfer to issued capital	97	(97)	-	-	-
Derecognition of reserve upon modification of the terms of convertible loans (refer to Note 10)	-	-	(108)	108	-
Balance at 30 June 2025	<u>151,447</u>	<u>776</u>	<u>-</u>	<u>(140,974)</u>	<u>11,249</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Wellnex Life Limited
Statement of cash flows
For the year ended 30 June 2025

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		22,185	16,535
Payments to suppliers and employees (inclusive of GST)		(22,244)	(21,305)
Transaction costs related to Pain Away acquisition		-	(1,172)
Interest received		-	2
Interest and other finance costs paid		(607)	(878)
Net cash used in operating activities		(666)	(6,818)
Cash flows from investing activities			
Loans provided for One Life joint venture		-	(120)
Payments for intellectual property		(7)	-
Payments for deferred consideration		(8,149)	-
Pain Away acquisition payments	5	-	(13,300)
Payments for CBDG Administration		(136)	-
Net cash used in investing activities		(8,292)	(13,420)
Cash flows from financing activities			
Proceeds from issue of shares	7	15,532	20,150
Transaction costs related to issues of equity		(3,311)	(2,804)
Proceeds from borrowings including related party loans		16,803	10,645
Repayment of borrowings		(20,472)	(7,062)
Repayment of lease liabilities		-	(110)
Net cash from financing activities		8,552	20,819
Net increase/(decrease) in cash and cash equivalents		(406)	581
Cash and cash equivalents at the beginning of the financial year		903	322
Cash and cash equivalents at the end of the financial year		497	903

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The Annual financial report covers Wellnex Life Limited as a consolidated entity consisting of Wellnex Life Limited and the entities it controlled at the end of, or during, the year. The Annual financial report is presented in Australian dollars, which is Wellnex Life Limited's functional and presentation currency.

Wellnex Life Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Building 2, Level 3, Suite 72,
574 Plummer Street
Port Melbourne VIC 3207

Note 2. Material accounting policy information

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

The consolidated entity made a loss after tax of \$15,604,000 during the year ended 30 June 2025 and the net cash used in operating activities was \$666,000. The cash balance as at 30 June 2025 was \$497,000. The deficiency of current liabilities over current assets as at 30 June 2025 was \$8,373,000.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Notwithstanding these results, the accounts have been prepared on the basis that the consolidated entity will continue its business activities (and that, therefore, the consolidated entity is a going concern) for the following reasons:

- the consolidated entity since the acquisition of Pain Away is generating high margin revenue that will generate positive cashflow for the business and we are also seeing growth in our other brands;
- the extension of the Haleon arrangement into the UK in the first half of FY25 will generate significant revenue and cashflow for the business;
- the consolidated entity holds significant inventory including in some cases 12 months' supply to manufacture products, with the inventory held at 30 June able to generate circa \$3 million in sales;
- the consolidated entity also has the ability to raise additional capital through its lead Australian broker and they have provided support that they will raise additional capital as required, through a placement.
- the consolidated entity has the ability to significantly curtail expenses. As at 30 June 2025 the Company has received representations from key sources of finance and its key management personnel stating their ability, if required, to provide financial support for a period of at least 13 months from the date of signing this report.

Note 3. Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

During the 2024 financial year the consolidated entity acquired the assets of Pain Away. The business operates in the same business and geographical segment as the rest of the Group, being a provider of high quality Australian made health and wellness products throughout Australasia. All revenue and assets generated during the financial year were generated in Australia.

All revenues of the consolidated entity are recognised at a point in time for all revenue types.

Note 4. Current assets - inventories

	Consolidated	Consolidated
	30 June 2025	30 June 2024
	\$'000	\$'000
Finished goods - at cost	5,473	4,597
Less: Provision for impairment	(1,996)	(967)
	<u>3,477</u>	<u>3,630</u>

Note 5. Non-current assets - intangibles

	Consolidated	Consolidated
	30 June 2025	30 June 2024
	\$'000	\$'000
Goodwill - at cost	-	5,004
Less: Impairment	-	(5,004)
	<u>-</u>	<u>-</u>
Patents and trademarks - at cost	110	110
Less: Accumulated amortisation	(107)	(64)
	<u>3</u>	<u>46</u>
Brands - at cost, net of impairment (1)	21,360	22,996
Less: Accumulated amortisation	(1,639)	(571)
Less: Impairment	-	(1,636)
	<u>19,721</u>	<u>20,789</u>
Customer Relationships - at cost	276	276
Less: Impairment	(276)	(276)
	<u>-</u>	<u>-</u>
Formation costs	600	604
Less: Impairment	(600)	(604)
	<u>-</u>	<u>-</u>
	<u>19,724</u>	<u>20,835</u>

(1) As at 30 June 2024, the group completed the acquisition of the Pain Away brand for total consideration of \$21.36m.

Intangible assets consist of the Group's brand assets which are amortizing over 20 years. As at 30 June 2025 these brand assets were represented by the Group's acquisition of Pain Away which was acquired during the year for a purchase price of \$21.36m. The directors have reviewed this asset for indications of impairment as at 30 June 2025 and have concluded that this asset has no indications of impairment. In concluding this, the directors considered the following factors:

- (a) the underlying financial performance of the Pain Away brand cash-generating unit;
- (b) external evidence of fair value of the asset in the Australian market; and
- (c) the overall market capitalization of the Group relative to its net book values represented in the Statement of Financial Position.

Note 6. Current liabilities - borrowings (continued)

Note 6. Current liabilities - borrowings

	Consolidated	
	30 June 2025	30 June 2024
	\$'000	\$'000
Trade and debtor financing	2,350	1,612
Convertible notes payable (net of deferred borrowing costs)	-	6,490
Provision for convertible notes*	502	
Related party borrowings	2,595	2,513
	<u>5,447</u>	<u>10,615</u>

* Provision for convertible note is to provide for reconciliation of convertible payment and redemptions.

Related party borrowings

Amounts due and payable to related parties of the Company are \$2,595,000. Loans to related parties are unsecured, non-interest bearing and repayable at call and carry no equity conversion features and therefore are at terms that the directors consider are no more favourable to the related parties than at market terms.

Trade and debtor facility

In July 2021, the Company entered into a secured revolving trade and debtor facility with Scottish Pacific, with the key terms of this facility as follows:

- total value of financing facility: \$5,300,000
- amount drawn down as at 30 June 2025: \$2,350,000
- interest rate: Bank Bill Swap Bid Rate (BBSY) plus 4%
- this financing facility is secured by general and specific security deeds over all of the Company's assets and has first ranking over the consolidated entity's inventory and receivables.

Convertible Notes

During the financial year and as part of the UK initial public offering, the Company redeemed the outstanding convertible notes and issued a total of 4,209,777 fully paid ordinary shares to settle \$2.74 million of Notes and interest with \$4.59 million paid in cash to settle the outstanding liability.

Note 7. Equity - issued capital

	Consolidated			
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>67,771,528</u>	<u>1,289,554,351</u>	<u>151,447</u>	<u>130,557</u>

Wellnex Life Limited
Notes to the Preliminary Report
30 June 2025

Note 7. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2023	423,719,190		112,424
Placement of shortfall shares	28 July 2023	9,563,120	\$0.050	478
Issue of shares for placement of Pain Away	13 October 2023	34,000,000	\$0.028	-
Issue of shares to 365 Health as part of purchase consideration for Pain Away asset acquisition *	3 November 2023	20,000,000	\$0.028	560
Issue of shares for acquisition of Pain Away	14 December 2023	487,282,310	\$0.028	13,644
Issue of shares for placement	15 December 2023	53,839,556	\$0.028	1,507
Issue of shares for placement	20 December 2023	6,000,000	\$0.028	-
Issue of shares to 365 Health for management services	20 December 2023	20,000,000	\$0.028	560
Issue of shares for placement	29 February 2024	35,714,284	\$0.028	1,000
Issue of shares for placement	14 March 2024	63,571,428	\$0.028	1,780
Issue of shares to lead manager for capital raise	18 March 2024	68,000,000	\$0.022	1,496
Issue of shares for placement	1 May 2024	39,284,285	\$0.028	1,011
Issue of shares for exercise of options **	31 May 2024	8,750	\$0.050	-
Issue of shares to 365 Health as part of purchase consideration for Pain Away asset acquisition *	20 December 2023	28,571,428	\$0.028	800
Capital raising costs		-	-	(4,703)
Balance	30 June 2024	1,289,554,351		130,557
Issue of ordinary shares to settle employee agreements	1 July 2024	435,438	\$0.025	11
Issue of ordinary shares - Issued for corporate advisory services	19 July 2024	12,500,000	\$0.028	350
Issue of ordinary shares	7 August 2024	99,392,863	\$0.028	2,783
Consolidation of shares 50:1		(1,373,843,902)	-	-
Issue of ordinary shares	19 November 2024	357,142	\$1.40	499
Issue of ordinary shares	27 December 2024	321,429	\$1.40	450
Issue of ordinary shares	30 December 2024	200,000	\$1.40	280
Issue of Ordinary Shares - Issued for Corporate Advisory Services	19 November 2024	1,600,000	\$0.61	968
Issue of shares for placement	5 February 25	1,111,111	\$0.68	750
Fees paid in shares	5 February 25	100,000	\$0.65	65
Reach fees	7 February 25	1,500,000	\$0.80	1,200
Settlement of liabilities	7 February 25	871,429	\$0.80	697
Rights issue	5 March 25	3,371,073	\$0.65	2,191
PainAway deferred consideration	14 March 25	480,770	\$0.65	313
Shortfall rights issue	21 March 25	16,429,627	\$0.65	10,679
Convertible notes conversion	21 March 25	3,369,231	\$0.65	2,190
Shares to corporate advisors	21 March 25	7,642,825	\$0.65	4,968
Interest on convertible notes	21 March 25	840,546	\$0.65	546
Pain Away Deferred Consideration	25 March 25	403,226	\$0.65	250
Shortall offer UK	31 March 25	488,216	\$0.65	317
Settlement of liabilities	20 May 2025	646,153	\$0.65	420
Capital raising costs		-	-	(9,037)
Balance	30 June 2025	<u>67,771,528</u>		<u>151,447</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 7. Equity - issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 8. Asset acquisition

Acquisition of Pain Away brand asset

On 18 December 2023 the Company announced the completion of the asset acquisition of Pain Away brand asset. Pain Away is the largest Australian-owned topical pain relief brand and second largest provider of topical pain relief products in Australia in market share terms. The business develops and manufactures topical pain relief products focused on joint and muscle pain using all natural ingredients.

The deferred consideration was payable in two equal tranches of \$2.9m and \$2.75m in October 2024 and April 2025. The deferred consideration was fully settled during the period.

Details of the acquisition are as follows:

	Fair value \$'000
Brand asset	21,360
Inventory	<u>1,150</u>
Acquisition-date total consideration transferred	<u><u>22,510</u></u>
Consideration paid:	
Advance cash deposit paid in 2023 Financial Year	(2,200)
Remaining deposit amount paid in the 2024 Financial Year	(13,300)
Less: deferred consideration	(5,650)
Less: shares issued by company as part of consideration	<u>(1,360)</u>

Note 9. Events after the reporting period

Subsequent to the end of the financial year and to support the continued growth in the business, and to provide greater financial flexibility alongside its ScotPac invoice discounting facilities, the Group has entered into a loan facility via Reach Wholesale ("Reach") for the amount of \$2.825 million (the "Facility"). The Facility, which is secured over the assets of the Group's key subsidiaries, is for a 24-month term at an interest rate of 14% for the term of the Facility. The coupon before arrangement and administration fees payable to Reach is broadly similar to the Group's existing financing facility arrangements.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 10. Loss per share

	Consolidated 30 June 2025 \$'000	30 June 2024 \$'000
Loss after income tax attributable to the owners of Wellnex Life Limited	<u>(15,604)</u>	<u>(13,739)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>29,260,693</u>	<u>850,349,898</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>29,260,693</u>	<u>850,349,898</u>

Note 10. Loss per share (continued)

	Cents	Cents
Basic loss per share	(53.33)	(1.62)
Diluted loss per share	(53.33)	(1.62)

The dilutive impact of shares, options and rights has not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as it does not meet the requirements for inclusion in AASB 133 'Earnings Per Share'. The rights to these shares, options and rights are non-dilutive as the consolidated entity is loss generating. During the period the Company consolidated the securities of the company on a ratio of 50:1, so on a like for like basis the loss per share on both a basic and diluted value was 1.07 cents.