

Wellnex Life Limited (ASX:WNX)

Q3 FY25 Quarterly Report and Appendix 4C

Highlights

- Quarterly cash receipts of \$6.6 million, an increase of 69% compared to the previous quarter (Q2 FY25: \$3.9 million)
- Positive net cash flow from operations \$0.04 million compared to negative cash flow result in the previous quarter (Q2 FY25: -\$0.80 million)
- Sales for Q3 FY25 of \$5.3 million, an increase of 35% compared to the prior comparative period PCP (Q3 FY24: \$3.9 million), with the increase largely driven by:
 - Sales from Wellnex Life's brands up 41% to \$4.1 million compared to PCP (Q3 FY24: \$3.0 million)
 - Sales from IP licensing up 36% to \$1.3 million compared to PCP (Q3 FY24: \$0.95 million)
- Completion and admission to the AIM market of the London Stock Exchange ("AIM"). The London Stock Exchange is home to the some of the world's largest consumer healthcare companies
- Payment of the deferred consideration for the acquisition of Pain Away, which will save the Company \$0.6 million in annual costs
- Extinguishment of the convertible notes post completion of the quarter, which will save the Company \$0.85 million in annual interest costs

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 March 2025 ("**Q3 FY25**").

The Company recorded cash receipts for Q3 FY25 of \$6.6 million, an increase of 69% compared to the previous quarter (Q2 FY25 \$3.9 million), with the Company recording a positive cash flow from operations of \$0.04 million compared to negative cash flow from operations in the previous quarter (Q2 FY25: \$0.80 million).

During the quarter, Wellnex Life increased marketing and advertising expenditure to \$0.56 million compared to \$0.36 million in the previous quarter. Product manufacturing and operating costs also increased to \$4.6 million compared to \$3.0 million in the previous quarter. These increases are a direct result of the increased sales for the period compared to the previous period.

During the period, Wellnex Life recorded sales of \$5.3 million, an increase of 35% compared to PCP (Q3 FY24: \$3.9 million), with 77% of those sales generated from Wellnex Life's high margin brands. This contributed to Wellnex Life generating sales in the first 3 quarters of FY25 of \$17.2 million an increase of 91% compared to the same period in FY24 (3Q FY24 \$9.0 million).

	July – March 2024	July – March 2025	% Change
Brands	\$5.9 million	\$12.5 million	110%
IP Licensing	\$3.1 million	\$4.7 million	52%
Total	\$9.0 million	\$17.2 million	91%



London Stock Exchange (LSE)

Wellnex Life was admitted to AIM on 21 March 2025. The LSE is home to some of the world's largest consumer healthcare companies in the world. This has enabled the Company to fully satisfy the deferred consideration for the acquisition of Pain Away and post close of the quarter redeem the balance of the convertible notes. This is a transformational moment for the Company, with the strengthening of the balance sheet leading to savings of \$1.4 million in annual costs. The AIM listing is also expected to accelerate the Company's international expansion with its innovative brands and products.

Transaction Costs

Transaction costs in Q2 FY25 were \$1.0 million, comprising the completion of the listing on AIM and the associated capital raising.

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

For further information, please contact:

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About Wellnex Life

Wellnex Life Limited (ASX/AIM: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.WellnexLifelife.com.au/

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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 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,597	15,682
1.2 Payments for		
(a) research and development	(71)	(338)
(b) product manufacturing and operating costs	(4,692)	(11,018)
(c) advertising and marketing	(565)	(1,906)
(d) leased assets		
(e) staff costs	(876)	(2,749)
(f) administration and corporate costs	(273)	(955)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(111)	(482)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST refund/(paid))	34	(41)
1.9 Other (costs for CBDG administration)	-	25
1.9 Net cash from / (used in) operating activities	42	(1,783)

*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	(7,298)	(7,910)
(c) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(7,298)	(8,053)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,598	14,579
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	(1,006)	(2,396)
3.5	Proceeds from borrowings	4,078	13,111
3.6	Repayment of borrowings	(3,402)	(11,207)
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	12,269	14,087

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	279	1,040
4.2	Net cash from / (used in) operating activities (item 1.9 above)	42	(1,783)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,298)	(8,053)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12,269	14,087
4.5	Effect of movement in exchange rates on cash held	1	0
4.6	Cash and cash equivalents at end of period	5,292	5,292

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	5,292	279
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (funds held in trust)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,292	279

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	215
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
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.		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	(3,414)
7.2	Credit standby arrangements	-	-
7.3	Other (Director's loan)	2,513	(2,525)
7.4	Total financing facilities	7,813	(5,939)
7.5	Unused financing facilities available at quarter end		1,874
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)	42
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,292
8.3	Unused finance facilities available at quarter end (item 7.5)	1,874
8.4	Total available funding (item 8.2 + item 8.3)	7,166
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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.

08 Apr 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.