



Prospectus

Wellnex Life Limited

ACN 150 759 363

This Prospectus is being issued for the following Offers:

- Initial Placement:** an offer of up to 55 million Shares, and up to 27.5 million free attaching options (each exercisable at \$0.10 and expiring 24 months from the date of issue) (**Attaching Options**) to the Initial Placement Subscribers, on the basis of one free Attaching Option issued for every 2 Shares issued to the Initial Placement Subscribers, to raise \$2.2 million (before costs).
- Second Placement:** an offer of up to 400 million Second Placement Shares to the Second Placement Investors, at an issue price of \$0.05 per Share, to raise up to \$20 million (before costs).
- Entitlement Offer:** a pro-rata non-renounceable Entitlement Offer to Eligible Shareholders of up to approximately 106 million Entitlement Shares (subject to fractional rounding), at an issue price of \$0.05 per Entitlement Share, to raise up to approximately \$5.3 million (before costs), on the basis of 1 Entitlement Share for every 4 Shares held on the Record Date.
- Shortfall Offer:** an offer of remaining Shortfall Shares (if any) not taken up under the Entitlement Offer.

ENTITLEMENT OFFER CLOSING DATE: 5.00pm (AEST) on 12 July 2023

Not for release to U.S. wire services or distribution in the United States

IMPORTANT NOTICE

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). This Prospectus does not, itself, contain all the information that is generally required to be set out in a document of this type, but refers to other documents, the information of which is deemed to be incorporated into this Prospectus. This Prospectus and any such incorporated documents should be read in their entirety before deciding whether to apply for New Securities. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The New Securities offered by this Prospectus should be considered speculative.

Legal adviser	Joint Lead Managers	
Holding Redlich  HOLDING REDLICH	JB Advisory Partners Pty Ltd  JB Advisory PARTNERS	Salter Brothers Capital Pty Limited  SALTER BROTHERS

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Important Information

This Prospectus

This Prospectus is issued by Wellnex Life Limited ACN 150 759 363 (**Wellnex** or **Company**) in relation to the offer of Securities. The Securities offered under this Prospectus should be considered speculative. Please refer to Part D for details relating to investment risks.

This Prospectus is dated 13 June 2023 and was lodged with ASIC on that date. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus. The fact that ASX has admitted the Company to the official list of ASX is not to be taken in any way as an indication of the merits of the Company, or the securities being offered under this Prospectus.

The expiry date of this Prospectus is 13 months after the date of this Prospectus. No securities (other than Shares to be issued on exercise of the Attaching Options) will be issued on the basis of this Prospectus later than the expiry date.

Obtaining Prospectus and Application Form

This Prospectus will generally be made available in electronic form at www.asx.com.au and will be posted on the Company's website at www.wellnexlife.com.au.

A copy of this Prospectus is available for inspection at the Company's registered office at Building 2, Level 3, Suite 69, 574 Plummer St, Port Melbourne, Victoria, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 24).

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offers contemplated by this Prospectus are only available in electronic form to persons receiving an electronic version of this Prospectus within Australia and New Zealand.

Applications for Securities under this Prospectus will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is

accompanied by a complete and unaltered copy of this Prospectus. If the application is by BPAY® there is no need to return the original Application Form.

Offering restrictions

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of the Offers in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

Transaction Specific Prospectus

Although the Company's Shares are, as at the date of this Prospectus, suspended from trading on the ASX, the Company continues to be subject to the continuous disclosure regime under the ASX Listing Rules.

This Prospectus is a transaction-specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act). It has been prepared in accordance with section 713 of the Corporations Act. As such, it does not contain the same level of disclosure as a prospectus prepared in accordance with section 710 of the Corporations Act.

This Prospectus is therefore intended to be read in conjunction with the information publicly available in relation to the Company which has been notified to ASX. In providing information in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act, and certain matters may reasonably be expected to be known to investors and professional advisors with whom potential investors may consult.

No exposure period

The Offers are made pursuant to *ASIC Corporations (Exposure Period) Instrument 2016/74* which exempts the Company from complying with section 727(3) of the Corporations Act, to the extent that that section prohibits the Company from issuing Securities under this Prospectus in the seven calendar day period after the date of lodgement of this Prospectus with ASIC.

Pro-forma financial information

The Prospectus contains pro forma financial information showing the proposed application of the proceeds of the Offers. The pro forma financial information provided is for illustrative purposes only and should not be relied upon as it is not represented as being indicative of the Company's future financial condition and/or performance.

Non-IFRS financial measures

Certain financial data included in, or incorporated by reference into, the Prospectus are non-IFRS financial information under ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) or non-GAAP financial measures under Regulation G issued by the US Securities and Exchange Commission. These non-IFRS/non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although the Company believes any non-IFRS/non-GAAP financial measures included in this Prospectus provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS/non-GAAP financial measures included in this Prospectus.

No representations

No person is authorised to give any information or to make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representation that is not in this Prospectus may not be relied upon as having been authorised by the Company, its Directors or any other person in connection with the Offers. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

Except as required by law and then only to the extent so required, none of the Company, its Directors or associates warrants or guarantees the future performance of the Company, the Initial Placement Shares, Attaching Options, Entitlement Shares, Second Placement Shares or any return on investment made pursuant to this Prospectus.

Forward-looking statements

This Prospectus contains certain "forward-looking statements". Forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'could', 'believe', 'estimate', 'expect', 'intend', 'anticipate', 'project', 'foresee', 'likely', 'should', 'target', 'plan', 'consider', 'aim', 'will', 'predict', 'outlook', 'guidance' and other similar words or expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of the Company, the outcome and effects of the Offers and the use of proceeds.

To the extent that certain statements contained in this Prospectus may constitute "forward-looking statements" or statements about "future matters", the information reflects only the Company's intent, belief or expectations (and no other person's intent, belief or expectations) as at the date of this Prospectus.

Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements.

Investors should consider the forward-looking statements contained in this Prospectus in light of those disclosures and not place reliance on such statements. Any forward-looking statements, opinions and estimates in this Prospectus are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Neither the Company nor its related bodies corporate or affiliates nor its Directors, officers, partners employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of the forward-looking statements in this Prospectus will actually occur or not occur (as the case may be). In addition, past performance should not be relied upon as (and is not) an indication or guarantee of future performance.

Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Warning

This document is important and should be read in its entirety before deciding to participate in the Offers. This document does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant.

Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances.

Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Part D .

Definitions and interpretation

Definitions of certain terms used in this Prospectus are contained in Part G (Glossary).

The definitions specific to the Attaching Options in the Option Terms are not contained in the Glossary but are extracted with the Option Terms which are contained in Section 20. If there is any inconsistency in definitions between the Glossary and the Option Terms, the definitions in the Option Terms prevail.

All references to currency are to Australian dollars and all references to time are to the time in Melbourne, Victoria, Australia, unless otherwise indicated.

Company's website

Any references to documents included on the Company's website are provided for convenience only and none of the documents or other information on the website are incorporated by reference as content of this Prospectus.

Corporate Directory

Directors	Mr George Karafotias (Executive Director) Mr Zack Bozinovski (Executive Director) Mr Kobe Li (Non-Executive Director) Mr Eric Jiang (Non-Executive Director)
Company Secretary	Mr Kobe Li
Company Details	<p>Registered Office and Principal Place of Business Address Building 2, Level 3, Suite 69, 574 Plummer Street Port Melbourne VIC 3207</p> <p>Telephone +61 3 8399 9419</p> <p>Website www.wellnexlife.com.au</p>
Stock Exchange Listing	Australian Securities Exchange ASX Code: WNX
Solicitors	<p>Holding Redlich Level 8, 555 Bourke Street Melbourne VIC 3000</p>
Joint Lead Managers	<p>Salter Brothers Capital Pty Limited Level 9, 477 Collins Street Melbourne VIC 3000</p> <p>JB Advisory Partners Pty Ltd Level 14, 3 Spring Street Sydney, NSW 2000</p>
Share Registry	<p>Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067</p> <p>Telephone: (03) 1300 787 272</p>
Auditors*	William Buck Level 20, 181 William Street Melbourne VIC 3000

**These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.*

Indicative Timetable

Event	Date (2023)
Trading halt	Thursday, 18 May
Settlement of Initial Placement, issue of Tranche 1 Shares under Initial Placement	Friday, 19 May
Enter voluntary suspension	Monday, 22 May
Commencement of bookbuild for Second Placement	Wednesday, 24 May
Lodgement of Notice of General Meeting with ASX	Friday, 9 June
Lodgement of Prospectus with ASIC	Tuesday, 13 June
Lodgement of Prospectus and Appendix 3B with ASX	Tuesday, 13 June
“Ex” Date (date from which Shares commence trading with the entitlement to participate in the Entitlement Offer)	Thursday, 15 June
Record Date to determine entitlements under Entitlement Offer	7.00pm (AEST) on Friday, 16 June
Prospectus and Application Forms sent to Eligible Shareholders and Company announces that this has occurred	Tuesday, 20 June
Entitlement Offer opens	Tuesday, 20 June
Last date to extend Entitlement Offer Closing Date	Friday, 7 July
Entitlement Offer Closing Date	5.00pm (AEST) Wednesday, 12 July
Shareholder meeting to seek approval under Listing Rule 7.1 for the issue of Attaching Options and Second Placement Shares	Thursday, 13 July
Issue of Attaching Options under Initial Placement, and lodgement of Appendix 3G	Friday 14 July
Announcement of Entitlement Offer results	Monday, 17 July
Issue of Entitlement Offer Shares, and lodgement of Appendix 2A	Wednesday, 19 July
Second Placement Offer Closing Date	5.00pm (AEST) Tuesday, 25 July
Issue of Tranche 2 Shares under Initial Placement, Second Placement Shares and Shortfall Shares under Entitlement Offer (if any), and lodgement of Appendix 2A	Tuesday, 25 July
Completion of Pain Away Transaction	By 31 July

The above dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close an Offer early, extend an Offer, or accept late Applications, either generally or in particular cases. Any extension of a Closing Date will have a consequential effect on the anticipated date for issue of the New Securities. The Directors also reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest. Investors who wish to submit an Application and subscribe for Securities under an Offer are encouraged to do so as soon as possible after the Offers open.

Letter from the Chief Executive Officer

Dear Shareholders,

Invitation to participate in Entitlement Offer

On behalf of the Board of Wellnex Life Limited (**Wellnex** or the **Company**), I am pleased to invite Eligible Shareholders to participate in a non-renounceable pro-rata 1-for-4 entitlement offer of fully paid ordinary shares (**Shares**) at an issue price of \$0.05 per Share (**Entitlement Offer**) to raise up to approximately \$5.3 million (before costs), if fully subscribed. The Entitlement Offer is not underwritten.

The Entitlement Offer gives Eligible Shareholders the opportunity to subscribe for New Shares without paying brokerage fees or other transaction costs. Eligible Shareholders (other than Directors and related parties of the Company) who subscribe in full for their Entitlement may, in addition to their Entitlement, apply for Additional Shares under the Shortfall Facility, by completing the accompanying Application Form in accordance with the instructions set out on that form.

The Entitlement Offer opens on Tuesday, 20 June 2023 and remains open for subscription until 5.00pm (AEST) on Wednesday, 12 July 2023 (**Closing Date**) unless extended. Late Applications may be accepted or rejected in the absolute discretion of the Company. The Company also reserves the right to vary the Closing Date without prior notice, subject to the Corporations Act and the ASX Listing Rules.

The issue price of Shares issued under the Entitlement Offer is \$0.05 per Share, which represents a discount of 5.66% to the closing price of \$0.053 per Share on 17 May 2023 (being the last trading day before the Company entered into a trading halt and subsequent suspension).

Any remaining shortfall under the Entitlement Offer will form part of the Shortfall Shares under the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer. The Shortfall Offer will be managed by Salter Brothers and JB Advisory as Joint Lead Managers.

Initial Placement and Second Placement

The Entitlement Offer follows successful completion of an initial placement of Shares to entities associated with strategic investor and existing shareholder Homart Pharmaceuticals (**Initial Placement**), under which Wellnex raised \$2.2 million (before costs).

The Entitlement Offer will be conducted in conjunction with a second placement of Shares to sophisticated and institutional investors, at the same issue price of \$0.05 per Share, to raise up to \$20 million (before costs) (**Second Placement**). The Second Placement Offer is not underwritten, and will be managed by Salter Brothers and JB Advisory as Joint Lead Managers.

Funding acquisition of Pain Away

The aggregate funds raised under the Initial Placement, Second Placement Offer and Entitlement Offer, will be primarily used to fund payment of the \$22 million purchase price of the Pain Away Business.

As announced to the ASX on 25 May 2023, Wellnex has entered into a binding business sale agreement to acquire 100% of the business and assets of Pain Away, a leading Australian pain relief brand, for total cash consideration of \$22 million. The acquisition of Pain Away is expected to strategically strengthen Wellnex, and accelerate its growth and market position in the healthcare market whilst providing significant growth opportunities across its existing business. For further details on the Pain Away Transaction, refer to the Company's ASX announcement dated 25 May 2023.

General Meeting

Wellnex will hold a General Meeting at 11.00am (AEST) on Thursday, 13 July 2023, at the offices of Holding Redlich (Level 8, 555 Bourke Street, Melbourne), to seek certain Shareholder approvals in relation to the Initial Placement and the Second Placement. Further details of the approvals being sought are set out in the Company's Notice of Extraordinary General Meeting, lodged with ASX on Friday, 9 June 2023. We encourage you to attend and vote at the meeting.

Further information

Full details of the Entitlement Offer, along with details of the Initial Placement, Second Placement Offer and Shortfall Offer, are set out in this Prospectus. Please read this Prospectus carefully before deciding whether or not to invest.

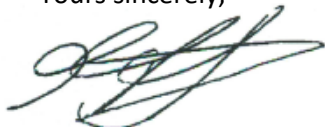
An investment in the Company contains specific risks which you should consider before making an investment decision. A non-exhaustive list of risk factors relevant to an investment in the Company is set out in Part D. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional adviser.

If you have any questions about any of the Offers, contact the Joint Lead Managers on:

- Salter Brothers: Ryan Legudi (ryan.legudi@salterbrothers.com.au)
- JB Advisory: Michael Pegum (michael@jbadvisory.com.au)

On behalf of the Board of Wellnex, I invite you to consider this investment opportunity. Once again, the Board thanks you for your ongoing support.

Yours sincerely,



George Karafotias
Chief Executive Officer
13 June 2023

Investment overview and important information

1. Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Question	Response	Reference
What are the Offers?	<p>This Prospectus is being issued in connection with the following offers of Securities:</p> <ul style="list-style-type: none"> ▪ an Initial Placement of Initial Placement Shares and Attaching Options to the Initial Placement Subscribers; ▪ a Second Placement Offer of Second Placement Shares to the Second Placement Investors; ▪ an Entitlement Offer of Entitlement Shares to Eligible Shareholders; and ▪ a Shortfall Offer of Shortfall Shares (if any). 	Part A
Initial Placement		
What is the Initial Placement?	<p>The Initial Placement is an offer of Shares to raise \$2.2 million (before costs), structured in two tranches as follows:</p> <ul style="list-style-type: none"> ▪ 10 million Tranche 1 Shares were issued to the Initial Placement Subscribers on 19 May 2023; and ▪ the Initial Placement Subscribers are also entitled to receive additional “top-up” Shares (being the Tranche 2 Shares), the number of which will be determined in accordance with the formula set out in section 3.1. The maximum number of Tranche 2 Shares that will be issued is 45 million, and the minimum number of Tranche 2 Shares that will be issued is 34 million. <p>Subject to Shareholder Approval, for every 2 Shares issued under the Initial Placement, the Initial Placement Subscribers will be entitled to receive 1 free Attaching Option. Each Attaching Option has an exercise price of \$0.10, and an expiry date 24 months from the date of issue. Settlement and allotment of the Tranche 1 Shares occurred on 19 May 2023, and the Company raised a total of \$2.2 million (before costs) under the Initial Placement.</p>	Section 3.1
Am I eligible to participate in the Initial Placement?	Only the Initial Placement Subscribers are entitled to participate in the Initial Placement.	Section 3.3

Question	Response	Reference
What is the price payable per Initial Placement Share?	<p>The average price per Share under the Initial Placement will be \$0.05 (which is the same price under the Entitlement Offer and Second Placement), where the Pain Away Transaction completes by 15 August 2023.</p> <p>Under all other circumstances, the average issue price per Share under the Initial Placement will be \$0.04.</p> <p>The total amount raised under the Initial Placement, being \$2.2 million, will not change.</p>	Section 3.1
Is the Initial Placement conditional?	No, the issue of Shares under the Initial Placement is not conditional. However, the issue of Attaching Options under the Initial Placement is subject to Shareholder Approval under Listing Rule 7.1, which the Company intends to seek at the General Meeting.	Section 3.4
When will the Initial Placement Shares and Attaching Options be issued?	<p>The Company issued the Tranche 1 Shares to the Initial Placement Subscribers on 19 May 2023.</p> <p>The Company intends to issue the Tranche 2 Shares and (subject to Shareholder Approval) the Attaching Options in accordance with the Indicative Timetable.</p>	Section 3.2
Will the Attaching Options be listed on the ASX?	The Company does not intend to apply for quotation of the Attaching Options.	Section 2.4
Will any funds be raised from the Initial Placement?	<p>The Company has raised a total of \$2.2 million (before costs) under the Initial Placement.</p> <p>No additional proceeds will be raised through the issue of the Attaching Options. However, if all Attaching Options are exercised, and assuming the maximum number of Attaching Options (27.5 million) is issued, the Company will raise \$2.75 million.</p>	Section 3.6
How will the proceeds of the Initial Placement be used?	<p>The funds raised under the Initial Placement have been applied towards payment of the Deposit for the Pain Away Transaction, which was payable upon execution of the Business Sale Agreement.</p> <p>In the event that any further funds are raised through the exercise of Attaching Options prior to their Expiry Date, the Company expects that it will apply such funds towards its general working capital requirements.</p>	Section 3.6

Entitlement Offer and Shortfall Offer		
What is the Entitlement Offer?	The Entitlement Offer is a pro-rata non-renounceable entitlement offer to Eligible Shareholders, on the basis of 1 Entitlement Share for every 4 Shares held on the Record Date.	Section 4.1
Am I eligible to participate in the Entitlement Offer?	An Eligible Shareholder, being a person who is eligible to participate in the Entitlement Offer, is a person registered as the holder of Shares on the Record Date, whose registered address is in Australia or New Zealand. The Entitlement Offer is not being extended to any Shareholders whose registered address is outside Australia or New Zealand.	Section 4.1
How many new securities will be issued under the Entitlement Offer?	Under the Entitlement Offer, up to 105,929,797 Entitlement Shares (subject to fractional rounding) will be issued. This assumes that no further Shares are issued by the Company prior to the Record Date.	Section 4.1
What is the price payable per Entitlement Share?	\$0.05 per Entitlement Share.	Section 4.1
Is the Entitlement Offer underwritten?	The Entitlement Offer is not underwritten.	Section 4.1
How much will be raised through the Entitlement Offer?	If the Entitlement Offer is fully subscribed, the Company will raise approximately \$5.3 million (before costs), through the issue of approximately 105,929,797 Entitlement Shares.	Section 4.1
How will the proceeds of the Entitlement Offer be used?	The funds raised under the Entitlement Offer will be used: <ul style="list-style-type: none"> ▪ to pay for the costs in connection with the Offers; ▪ towards payment of the Purchase Price and associated transaction costs for the Pain Away Transaction; and ▪ for general working capital purposes. 	Section 4.2
How do I apply under the Entitlement Offer?	If you are an Eligible Shareholder, you can apply for part or all of your Entitlement by paying your Application Monies in accordance with the instructions on your personalised Application Form which accompanies this Prospectus, by the Entitlement Offer Closing Date.	Part B
Can I sell my Entitlements under the Entitlement Offer?	No. The rights to Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Entitlement Offer Closing Date, your Entitlement will lapse.	Section 4.1

Can I apply for additional Shares in excess of my Entitlement?	<p>Yes. Eligible Shareholders who subscribe for their full Entitlement may apply for Additional Shares at the same issue price of \$0.05 under the Shortfall Facility described in Section 4.6.</p> <p>To do this, Eligible Shareholders should follow the instructions on their personalised Application Form which accompanies this Prospectus.</p>	Sections 7.2(b) and 7.4
How will the Shortfall (if any) under the Entitlement Offer be allocated?	<p>The Company reserves the right to scale back any applications for Additional Shares in its absolute and sole discretion, in consultation with the Joint Lead Managers.</p> <p>When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an Applicant’s shareholding in the Company, the extent to which an Applicant has sold or bought additional Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.</p>	Section 4.6
What is the Shortfall Offer?	<p>If there is any Shortfall remaining after the satisfaction of applications for Entitlement Shares by Eligible Shareholders (including applications for Additional Shares under the Shortfall Facility), those Shortfall Shares will form part of the Shortfall Offer.</p> <p>The Shortfall Offer will be managed by Salter Brothers and JB Advisory as Joint Lead Managers.</p> <p>The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer.</p>	Section 5
Is the Entitlement Offer conditional?	The Entitlement Offer is not conditional, and is not subject to any minimum subscription condition.	Section 4.4
Second Placement Offer		
What is the Second Placement Offer?	The Second Placement Offer is an offer of up to 400 million Shares to sophisticated and institutional investors.	Section 6.1
What is the price payable per Share under the Second Placement Offer?	\$0.05 per Share (which is the same price under the Entitlement Offer).	Section 6.1
Is the Second Placement Offer underwritten?	<p>The Second Placement Offer is not underwritten.</p> <p>Salter Brothers and JB Advisory have been appointed as Joint Lead Managers of the Second Placement Offer.</p>	Section 6.1

How many new securities will be issued under the Second Placement?	Subject to Shareholder Approval, up to 400 million Shares will be issued under the Second Placement Offer.	Section 6.1
How much will be raised through the Second Placement?	Up to \$20 million (before costs).	Section 6.1
Who is eligible to participate in the Second Placement?	Only eligible investors invited by the Company and the Joint Lead Managers are entitled to participate in the Second Placement Offer.	Section 6.1
Is the Second Placement conditional?	<p>The issue of Second Placement Shares is subject to Shareholder Approval under Listing Rule 7.1, which the Company intends to seek at the General Meeting. Further details of the approvals being sought are set out in the Company's Notice of Extraordinary General Meeting, which was lodged with ASX on Friday, 9 June 2023.</p> <p>Settlement of the Second Placement is also conditional upon successful completion of the Entitlement Offer.</p>	Section 6.5
When will the Second Placement Shares be issued?	Subject to the above conditions being satisfied, the Company intends to issue the Second Placement Shares in accordance with the Indicative Timetable.	Section 6.6
What are the proceeds of the Second Placement to be used for?	<p>The funds raised under the Second Placement will be used:</p> <ul style="list-style-type: none"> ▪ to pay for the costs in connection with the Offers; ▪ towards payment of the Purchase Price and associated transaction costs for the Pain Away Transaction; and ▪ for general working capital purposes. 	Section 6.2
Control effect of Offers		
What will be the effect of the Offers on the control of the Company?	The effect of the Entitlement Offer on the control of Wellnex will depend upon the level of Shareholder participation in the Entitlement Offer and the Shortfall Facility (if relevant) and the identity of Shareholders. In respect of the Initial Placement, Second Placement and Shortfall Offer, the control effect will be proportionate to the number of Securities issued to each recipient under those Offers.	Section 12

Key risks

What are the key risks of an investment in the Company?	<p>There are many risks associated with an investment in the Company, including relating to the Company's business, its regulatory environment, its financial requirements generally and its proposed acquisition of the Pain Away Business.</p> <p>There are also a number of general risks associated with an investment in the Company, such as:</p> <ul style="list-style-type: none">▪ Economic risks;▪ Market conditions;▪ Liquidity risk;▪ Force majeure;▪ Taxation and government regulations;▪ Litigation risk; and▪ Insurance risk.	Part D
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Further information

How can further information be obtained?	<p>If you have questions about your Entitlement, or if you require a personalised Entitlement Offer Application Form, contact Computershare Investor Services Pty Limited on 1300 850 505 or +61 (3) 9415 4000 (from outside Australia) at any time between 8:30am and 5.00pm (AEST) Monday to Friday until the Entitlement Offer Closing Date.</p> <p>If you have questions about any of the Offers, contact the Joint Lead Managers on:</p> <ul style="list-style-type: none">▪ Salter Brothers: Ryan Legudl (ryan.legudi@salterbrothers.com.au)▪ JB Advisory: Michael Pegum (michael@jbadvisory.com.au) <p>If you have questions about Wellnex generally, contact the Company on +61 3 8399 9419.</p> <p>For other questions, you should consult your broker, lawyer, accountant, financial adviser, or other professional adviser.</p>	Section 36
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2. Important Information

2.1 Purpose of Offers

The Company is conducting the Offers to raise capital, primarily to fund the Purchase Price of \$22 million, payable for its acquisition of the Pain Away Business.

The Company will raise up to \$27.5 million under the Offers, as follows:

- (a) \$2.2 million (before costs) has been raised under the Initial Placement;
- (b) up to approximately \$5.3 million (before costs) under the non-underwritten Entitlement Offer (and if applicable, the Shortfall Offer); and
- (c) up to \$20 million (before costs) under the non-underwritten Second Placement.

The funds raised under the Initial Placement have been applied towards payment of the Deposit component of the Purchase Price, which was payable on the day of execution of the Business Sale Agreement, in accordance with the terms of that agreement.

Funds raised under the Second Placement, Entitlement Offer and Shortfall Offer (if applicable) will be used:

- (d) to pay for costs and expenses in connection with the Pain Away Transaction and the Offers (refer to Section 34);
- (e) to pay for the balance of the Purchase Price (\$19.8 million) for the Pain Away Transaction; and
- (f) for general working capital purposes.

2.2 Pain Away Transaction

As announced to the market on 25 May 2023, the Company has entered into a binding Business Sale Agreement to acquire 100% of the business and assets of Pain Away, an Australian pain relief brand, for total cash consideration of \$22 million.

A summary of the key terms of the Business Sale Agreement is set out in Section 21.2.

2.3 Purpose of Prospectus

The purpose of this Prospectus is:

- (a) to make the Offers;
- (b) to enable the Securities offered under this Prospectus to be on-sold without disclosure; and
- (c) to enable the Shares that are issued upon exercise of the Attaching Options offered under this Prospectus to be on-sold without disclosure, pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

Disclosure exemption for Entitlement Offer

In certain circumstances, a listed company may undertake an entitlement offer without a prospectus if it complies with the disclosure exemption in s708AA and 1012DAA of the Corporations Act and the relief in *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*.

The Company is unable to rely on these provisions for the Entitlement Offer because the Company's Shares will have been suspended from trading for more than 5 days in the 12 months prior to the day on which the Entitlement Offer is made.

As the Entitlement Offer does not satisfy the disclosure exemption conditions in s708AA of the Corporations Act, the Company is undertaking the Entitlement Offer pursuant to this Prospectus.

On-sale of Initial Placement and Second Placement Shares

Generally, s707(3) of the Corporations Act requires that a prospectus be issued, in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act, to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to s707(3) where an entity issues a 'cleansing' notice under s708A(5) within 5 days of the date of issue of the securities. The Company is unable to issue a cleansing notice, as the Company's Shares have been suspended from trading for more than 5 days in the 12 months prior to the date of this Prospectus.

Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX; and
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

A primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act, to remove any secondary trading restrictions that attach to:

- (d) the Tranche 1 Shares which were issued on 19 May 2023 without disclosure to sophisticated investors (under the applicable disclosure exemption in section 708(8) of the Corporations Act); and
- (e) any Shares issued by the Company between the date of this Prospectus and the closing date for acceptances under this Prospectus (including the Tranche 2 Shares and the Second Placement Shares),

so that subscribers of those Shares may, if they choose to, on-sell those Shares (as applicable) within 12 months from the date of their issue, without the issue of a prospectus.

On-sale of underlying Shares for Attaching Options

This Prospectus has also been prepared in respect of the offer of the Attaching Options, such that the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Pursuant to such relief, as the Attaching Options are issued with disclosure under this Prospectus, any Shares issued upon the exercise of the Attaching Options can be on-sold within 12 months of their issue (even if the Shares were issued without disclosure or lodgement of a cleansing notice). This is because the Attaching Options are issued with disclosure and the exercise of the Attaching Option does not involve any further offer.

2.4 Quotation of Securities offered under Prospectus

The Company will, within seven days of the date of this Prospectus, apply to ASX for Official Quotation of all New Shares offered under this Prospectus. There is no assurance that the Company's application for Official Quotation will be granted. If ASX does not grant Official Quotation of the New Shares within 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), no New Shares will be issued under this Prospectus, and application monies (if any) will be refunded to applicants without interest, within the time prescribed under the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company, or its Securities.

The Company is not seeking Official Quotation of the Attaching Options offered under this Prospectus.

2.5 Shareholder approvals at General Meeting

The Company will be holding its General Meeting at 11.00am (AEST) on Thursday, 13 July 2023, at the offices of Holding Redlich (Level 8, 555 Bourke Street, Melbourne). At this meeting, the Company will be seeking (amongst other things) Shareholder approvals under Listing Rule 7.1 for the issue of the Attaching Options under the Initial Placement and issue of Second Placement Shares under the Second Placement (each a **Shareholder Approval**). Shareholders are encouraged to attend and vote at the General Meeting.

2.6 Withdrawal of Offers

The Company reserves the right not to proceed with some or all of the Offers at any time before the issue of the New Securities, or to close the Offers early (subject to the ASX Listing Rules). If some or all of the Offers do not proceed, the Company will return the relevant application monies (if any), without interest, as soon as practicable after giving notice of its withdrawal.

2.7 CHES and Issuer Sponsorship

The Company will not be issuing share certificates for the New Shares.

The Company participates in the Clearing House Electronic Sub-Register System, known as CHES, for those investors who have, or wish to have, a sponsoring broker. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Investors will be provided with holding statements (similar to bank statements) that set out the number of New Securities issued to them under the Prospectus. The notice will also advise holders of their holder identification number or security holder reference number, and explain the sale and purchase procedures under CHES and issuer sponsorship.

Holding statements will be dispatched at the end of the calendar month following the issue of the New Securities under the Offers. It is the responsibility of Applicants to determine their allocation prior to trading in the New Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

Further monthly holding statements will be sent to holders if there have been any changes to their security holding in the Company during the preceding month. Security holders may request a statement at any other time; however, a charge may be made for additional statements.

2.8 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

Entitlement Offer

The Company has determined that it is unreasonable to extend the Entitlement Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Shares that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Entitlement Offer is not being extended and Entitlement Shares will not be issued to Ineligible Foreign Shareholders with a registered address which is outside of Australia or New Zealand.

The Company may (in its absolute discretion) extend the Entitlement Offer to Shareholders who have registered addresses outside Australia or New Zealand in accordance with applicable law.

The Entitlement Shares under the Entitlement Offer are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority.

This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain. The Entitlement Offer to New Zealand Shareholders is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 6 of the *Corporations Act 2001* and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

Initial Placement and Second Placement

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of the Initial Placement or Second Placement in any jurisdiction outside Australia. Applicants who reside in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia, it is your responsibility to obtain all necessary approvals for the issue of Securities pursuant to the Offers under this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

2.9 Application Monies held on trust

All Application Monies received pursuant to this Prospectus will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be refunded (without interest) if the New Shares are not issued, and each Applicant waives the right to claim interest.

2.10 Prohibition on exceeding 20% voting power threshold

Potential investors must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when applying for Securities offered pursuant to this Prospectus.

The Company has not appointed a nominee for the purposes of Listing Rule 7.7.1(c) and section 615 of the Corporations Act in respect of the Entitlement Offer.

The Company reserves the right to reject or scale back any application under the Offers which it considers may result in a breach of section 606 of the Corporations Act. The Company expressly disclaims any responsibility for monitoring such applications or ensuring that individual investors do not breach section 606 as a result of participation in the Offers.

Investors that may be at risk of exceeding the 20% voting power threshold in section 606 or increasing their voting power from a position above 20% as a result of application under the Offers, should seek professional advice before applying under the Offers.

2.11 Risks

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Part D .

2.12 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

2.13 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's holding of Securities in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.14 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2022 can be found in the Company's 2022 annual financial report lodged with ASX on 1 September 2022, and for the half-year ended 31 December 2022, the half-yearly report lodged with on ASX on 28 February 2023.

The Company's continuous disclosure notices (i.e., ASX announcements) since 1 September 2022 are listed in Section 24(c). Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

Part A - Details of the Offers

3. Initial Placement

3.1 Details of Initial Placement

(a) On 25 May 2023, the Company announced that (among other things) it had entered into the Subscription Agreement, under which it completed an Initial Placement of Shares to the Initial Placement Subscribers, raising a total of \$2.2 million (before costs).

(b) The Initial Placement is structured as follows:

(i) 10 million Shares were issued to the Initial Placement Subscribers on 19 May 2023 (**Tranche 1 Shares**); and

(ii) the Initial Placement Subscribers are also entitled to receive additional “top-up” Shares (**Tranche 2 Shares**), the number of which will be determined in accordance with the following formula:

$$N = (A / B) - C$$

Where:

N = Number of Tranche 2 Shares

A = Total amount raised under the Initial Placement, being \$2.2 million

B = \$0.05 (if the Pain Away Transaction completes prior to 15 August 2023), or \$0.04 (in all other circumstances)

C = Number of Tranche 1 Shares, being 10 million

(c) The number of Tranche 2 Shares to be issued to the Initial Placement Subscribers will depend on the completion date of the Pain Away Transaction (and therefore the value of **B** in the above formula). The maximum number of Tranche 2 Shares that may be issued under the Initial Placement is 45 million (if **B** is equal to \$0.04). If **B** is equal to \$0.05, the Company will issue 34 million Tranche 2 Shares.

(d) The average price per Share under the Initial Placement will be \$0.05 (which is the same price under the Entitlement Offer and Second Placement), where the Pain Away Transaction completes by 15 August 2023. Under all other circumstances, the average issue price per Share under the Initial Placement will be \$0.04.

(e) For every 2 Shares issued under the Initial Placement, the Initial Placement Subscribers will also be entitled to receive 1 free Attaching Option. The Company is seeking, at the General Meeting, the required Shareholder Approval under Listing Rule 7.1 for the issue of the Attaching Options.

(f) The Subscriber will also have the right to appoint a nominee director to the Board of Wellnex, upon issue of the Initial Placement Tranche 2 Shares.

3.2 Timetable of Initial Placement

Tranche 1 Shares

The Tranche 1 Shares under the Initial Placement were issued to the Initial Placement Subscribers on 19 May 2023.

Tranche 2 Shares

Under the terms of the Subscription Agreement, the Tranche 2 Shares will be issued to the Initial Placement Subscribers on the earlier of (a) the date on which the Company announces completion of the Pain Away Acquisition (or if announced outside of trading hours, the next trading day); (b) the trading day after the date on which the Company announces the termination of the Sale Agreement; or (c) 15 August 2023.

As such, assuming that the Pain Away Transaction completes prior to 15 August 2023, the Tranche 2 Shares will be issued in accordance with the Indicative Timetable.

Attaching Options

Under the terms of the Subscription Agreement, the Attaching Options will be issued to the Initial Placement Subscribers within 5 business days of receipt of Shareholder Approval for the issue of the Attaching Options under Listing Rule 7.1.

As such, assuming that the Company obtains Shareholder Approval under Listing Rule 7.1 for the issue of the Attaching Options at the General Meeting, the Attaching Options will be issued in accordance with the Indicative Timetable.

3.3 Separate Offer

The Initial Placement is a separate offer pursuant to this Prospectus and only the Initial Placement Subscribers are entitled to participate in the Initial Placement.

3.4 Issue of Attaching Options conditional upon Shareholder Approval

The issue of the Initial Placement Shares is not conditional upon Shareholder Approval. The Company issued the Tranche 1 Shares, and agreed to issue the Tranche 2 Shares, using its available placement capacity under Listing Rule 7.1.

The issue of the Attaching Options is subject to Shareholder Approval under Listing Rule 7.1, which the Company is seeking at the General Meeting.

If Shareholder Approval is not obtained in respect of the Attaching Options, then in accordance with the terms of the Subscription Agreement, the Company is absolved from its obligation to issue the Attaching Options, but is liable to pay to the Subscriber, on demand:

- (a) the value of the Attaching Options (**Valuation**) determined by an independent valuer who meets the requirements of independence in ASIC Regulatory Guide 112 nominated by the Initial Placement Subscribers; and
- (b) the costs incurred by the Subscriber in procuring the Valuation.

3.5 Rights attaching to the Initial Placement Shares and Attaching Options

The Initial Placement Shares will be issued as fully paid ordinary shares, and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Initial Placement Shares (being fully paid ordinary shares) is set out in Section 19.

The Attaching Options each have an exercise price of \$0.10 and an expiry date 24 months from the date of issue. A summary of the rights and liabilities attaching to the Attaching Options is set out in Section 20.

3.6 Purpose of Initial Placement and use of funds raised

The Company raised a total of \$2.2 million (before costs) under the Initial Placement Offer, which funds have been applied towards payment of the Deposit for the Pain Away Transaction under the Business Sale Agreement.

No additional proceeds will be raised through the issue of the Tranche 2 Shares or Attaching Options. However, if all Attaching Options are exercised, and assuming the maximum number of Attaching Options (27.5 million) is issued, the Company will raise approximately \$2,750,000.

In the event that any funds are raised through the exercise of the Attaching Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.

4. Entitlement Offer

4.1 Details of Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 Entitlement Share for every 4 existing Shares held as at the Record Date of 7.00pm (AEST) on Friday, 16 June 2023, at the offer price of \$0.05 per Entitlement Share.

If the Entitlement Offer is fully subscribed, the Company will issue approximately 105,929,797¹ Entitlement Shares (subject to fractional rounding), and raise approximately \$5.3 million (before costs).

The Entitlement Offer is not underwritten, and there is no minimum subscription condition under the Entitlement Offer.

Eligibility to participate

As explained in Section 2.8, the Entitlement Offer is only being made to Eligible Shareholders, being persons registered as the holder of Shares on the Record Date, whose registered address is in Australia or New Zealand.

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and is therefore able to participate in the Entitlement Offer, or an Ineligible Foreign Shareholder and is therefore unable to participate in the Entitlement Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Foreign Shareholder.

Your Entitlement

The number of Entitlement Shares to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Entitlement Offer Application Form. The Application Form also allows you to apply for New Shares in addition to your Entitlement (refer to Section 7.4 for instructions on how to do this).

¹ Based on the number of Wellnex Shares on issue as at the date of this Prospectus, and assuming that no further Shares are issued prior to the Record Date.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of an Entitlement Share, such fraction will be rounded up to the nearest whole Share.

The rights to Securities under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Entitlement Offer Closing Date, your Entitlement will lapse.

4.2 Purpose of the Entitlement Offer and use of funds raised

The primary purpose of the Entitlement Offer is to raise funds, of up to approximately \$5.3 million (before costs). The Company proposes to use the proceeds of the Entitlement Offer:

- to pay for the costs in connection with the Offers;
- towards payment of the Purchase Price and associated transaction costs for the Pain Away Transaction; and
- for general working capital purposes.

The exact application of the funds raised from the Entitlement Offer may vary at the Directors' discretion.

4.3 Rights attaching to Entitlement Shares

Entitlement Shares issued under the Entitlement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Entitlement Shares (being Shares) is set out in Section 19.

4.4 Entitlement Offer not conditional

The Entitlement Offer is not conditional, and is not subject to any minimum subscription condition.

4.5 Timetable of Entitlement Offer

The Company will accept Application Forms for the Entitlement Offer from the date it dispatches the Prospectus until 5.00pm (AEST) on the Entitlement Offer Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

The Entitlement Shares will be issued in accordance with the Indicative Timetable.

4.6 Shortfall Facility – Application for Additional Shares

Any Entitlements not taken up may become available as Additional Shares which may be applied for under the Shortfall Facility. Eligible Shareholders (other than Directors and related parties of the Company) who subscribe in full for their Entitlement may, in addition to their Entitlement, apply for Additional Shares under the Shortfall Facility, by completing the accompanying Application Form in accordance with the instructions set out on that form.

It is possible that there will be few or no Additional Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlement Offer that Applicants applying for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for, if so allocated. If a lesser number of Additional Shares is allocated to them than applied for, excess Application Monies will be refunded without interest. The Company reserves the right to scale back any applications for Additional Shares under the Shortfall Facility in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application for Additional Shares, the Company may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.

5. Shortfall Offer

5.1 Details of Shortfall Offer

The Directors, as permitted under ASX Listing Rule 7.2 exception 3, reserve the right at their discretion to place any Shortfall remaining after the satisfaction of applications for Entitlement Shares by Eligible Shareholders (including applications for Additional Shares under the Shortfall Facility).

Under this Prospectus, the Company offers to issue the Shortfall Shares to investors at the same price of \$0.05 per Share as that offered under the Entitlement Offer. The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer, and will remain open for up to 3 months after the Entitlement Offer Closing Date.

Any investor who is not an Eligible Shareholder at the Record Date and who the Company invites to participate in the Shortfall Offer, will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

5.2 Allocation Policy under Shortfall Offer

The Shortfall Offer will be managed by the Joint Lead Managers. The Company shall allot and issue any Shortfall Shares under the Shortfall Offer in accordance with the allocation policy set out below:

- (a) The Shortfall Shares will be issued to persons to whom a disclosure document is not required to be provided under Part 6D.2 of the Corporations Act (which includes 'sophisticated investors' within the meaning of section 708(8) of the Corporations Act and 'professional investors' within the meaning of section 708(11) of the Corporations Act), who may be introduced to the Company by the Joint Lead Managers.
- (b) To the extent that is commercially practicable and taking into account the Company's requirement for funds, the Directors (working in conjunction with the Joint Lead Managers) will endeavour to allot the Shortfall Shares to a spread of investors, in order to mitigate any control effects which may arise from issuing the Shortfall Shares to a single or small number of investors.
- (c) In any event, the allocation will be done in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall Shares under the Shortfall Offer, hold a relevant interest of more than 19.99% of all of the Shares in the Company after the Offers.

- (d) No related party (including the Directors) will be entitled to participate in the Shortfall Offer.
- (e) The Company will not allocate or issue Shares under the Shortfall Offer where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant regulation or law. Investors wishing to apply for Shares under the Shortfall Offer must consider whether or not the issue of the Shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances.

5.3 Rights attaching to Shortfall Shares

Shortfall Shares issued under the Shortfall Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Shortfall Shares (being Shares) is set out in Section 19.

6. Second Placement Offer

6.1 Details of Second Placement Offer

Under the Second Placement Offer, certain sophisticated investors will be invited by the Company and/or the Joint Lead Managers (**Second Placement Investors**) to participate in a placement of up to 400 million Shares, at the issue price of \$0.05 per Share.

If the Second Placement Offer is fully subscribed, the Company will issue approximately 400 million Second Placement Shares, and raise \$20 million (before costs).

The Second Placement Offer is not underwritten, and there is no minimum subscription condition under the Second Placement.

Salter Brothers and JB Advisory have been appointed as Joint Lead Managers of the Second Placement Offer (see Section 21.3 for further details).

6.2 Purpose of the Second Placement Offer and use of funds raised

The primary purpose of the Second Placement Offer is to raise funds, of up to \$20 million (before costs). The Company proposes to use the proceeds of the Second Placement Offer:

- to pay for the costs in connection with the Offers; and
- towards payment of the Purchase Price and associated transaction costs for the Pain Away Transaction; and
- for general working capital purposes.

The exact application of the funds raised from the Second Placement Offer may vary at the Directors' discretion.

6.3 Separate Offer

The Second Placement Offer is a separate offer pursuant to this Prospectus, and only the Second Placement Investors are entitled to participate in the Second Placement.

6.4 Rights attaching to the Second Placement Shares

Second Placement Shares issued under the Second Placement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. A summary of

the rights and liabilities attaching to the Second Placement Shares (being fully paid ordinary shares) is set out in Section 19.

6.5 Second Placement conditional

The Second Placement is subject to and conditional upon Shareholder Approval being obtained under Listing Rule 7.1 for the issue of the Second Placement Shares. The Company is seeking this approval at the General Meeting.

Settlement of the Second Placement is also subject to and conditional upon successful completion of the Entitlement Offer.

6.6 Timetable of Second Placement

Subject to the conditions to the Second Placement being satisfied, the Second Placement Shares will be issued in accordance with the Indicative Timetable.

Part B - Applications under Offers

7. Entitlement Offer

7.1 Applications under the Entitlement Offer

The Company will send this Prospectus, together with a personalised Application Form, to all Eligible Shareholders. An Eligible Shareholder's Entitlement will be set out in their personalised Application Form accompanying this Prospectus.

Eligible Shareholders will be entitled to subscribe for 1 Entitlement Share for every 4 Shares held as at the Record Date.

If you have more than one holding of Shares, you will receive more than one set of Offer documents (being the Prospectus and Application Form), and you will have a separate Entitlement for each holding.

7.2 Options available to Eligible Shareholders

If you are an Eligible Shareholder, you may:

- (a) take up all of your Entitlement (see Section 7.3 for instructions on how to do this);
- (b) in addition to applying for all of your Entitlement, apply for Additional Shares under the Shortfall Facility described in Section 4.6 (see Section 7.4 for instructions on how to do this);
- (c) take up part of your Entitlement and allow the balance of your Entitlement to lapse (see Section 7.3 for instructions on how to do this); or
- (d) allow all of your Entitlement to lapse (see Section 7.7).

7.3 Acceptance of Entitlement in full or in part

Your Entitlement to participate in the Entitlement Offer will be determined on the Record Date. The number of Entitlement Shares to which you are entitled will be shown on your personalised Application Form. Your Application Form will allow you to apply for less Entitlement Shares than your Entitlement.

You may take up all or part of your Entitlement by submitting an Application in accordance with the instructions contained in Section 7.5 by no later than 5.00pm (AEST) on the Entitlement Offer Closing Date.

7.4 Applying for Additional Shares

Eligible Shareholders who subscribe for their full Entitlement may apply for Additional Shares under the Shortfall Facility described in Section 4.6. To do this, Eligible Shareholders should enter the number of Additional Shares they wish to apply for at the bottom of the Application Form where it states "Number of additional New Shares applied for".

The Application Form and Application Monies (including Application Monies for the Additional Shares applied for under the Shortfall Facility) must be submitted in accordance with the instructions contained in Section 7.5 by no later than 5.00pm (AEST) on the Entitlement Offer Closing Date.

The amount of Application Monies that Eligible Shareholders pay via BPAY® must be equal to the issue price per New Share (\$0.05) multiplied by the total number of New Shares applied for (including Additional Shares).

There is no guarantee that an Eligible Shareholder will receive Additional Shares and the Directors do not represent that any Applications for Additional Shares will be successful. By applying under the Shortfall Facility, you agree to accept a lesser number of Additional Shares than that applied for in your Application Form. If the number of Additional Shares allotted to an Eligible Shareholder is less than the number applied for by that Eligible Shareholder, surplus Application Monies will be refunded in full. Interest will not be paid on monies refunded.

7.5 Payment options

Payment of Application Monies (Application Monies must be equal to the issue price per New Share of \$0.05 multiplied by the total number of New Shares applied for, including Additional Shares) will only be accepted in Australian currency. Applications will be deemed not to have been received until the Company is in receipt of cleared funds of the relevant Application Monies.

You may pay your Application Monies via BPAY®, in accordance with the instructions below and on the Application Form.

Shareholders are requested not to forward cash as cash payment will not be accepted. Receipts for payment will not be provided. Neither the Company nor the Share Registry accepts any responsibility if you lodge your Application Form and payment at any other address or by any means other than those detailed in this Prospectus and in the Application Form.

If the amount of Application Monies provided is insufficient to pay in full for the number of New Shares including any Additional Shares you applied for, or is more than the number of New Shares including any Additional Shares you applied for, then you will be taken to have applied for such whole number of New Shares including any Additional Shares which is covered in full by your Application Monies. Alternatively, the Company may in its discretion reject your Application, in which case any Application Monies will be refunded to you, without interest.

7.6 Payment via BPAY®

If you pay your Application Monies by BPAY®, it is not necessary to return the Application Form. Your payment must be received by the Share Registry before 5.00pm (AEST) on the Entitlement Offer Closing Date.

To pay via BPAY®, you must use the specific biller code and Customer Reference Number detailed on your personalised Application Form.

If you have multiple holdings, you will have multiple Customer Reference Numbers. To ensure you receive New Securities in respect of the correct holding, you must use the specific biller code and the Customer Reference Number shown on each personalised Application Form when paying for any New Shares that you wish to accept in respect of that holding.

If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have accepted the New Shares to which that Customer Reference Number applies and any excess amount will be treated as an application for Additional Shares on that holding.

You should be aware that your own financial institution may implement earlier cut off times with regards to electronic payment and it is your responsibility to ensure that funds are submitted

through BPAY® by the Entitlement Offer Closing Date. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

7.7 Entitlements not taken up

If you do not wish to accept any of your Entitlement under the Entitlement Offer, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement. Your shareholding in the Company however, will be diluted.

8. Applications under Initial Placement, Second Placement Offer and Shortfall Offer

The Initial Placement is only being extended to the Initial Placement Subscribers.

The Second Placement Offer and Shortfall Offer are only being extended to the investors who are invited by the Company to subscribe for those Offers, and is not open to the general public. An Application Form will be provided to participants in the Second Placement Offer and Shortfall Offer upon invitation from the Company, together with a copy of the Prospectus.

Completed Application Forms, together with Application Monies, must be received by the Company prior to the date advised by the Company or the Joint Lead Managers. Application Forms should be delivered to the Company in accordance with the instructions on the Application Form. If you are in doubt as to the course of action, you should consult your professional advisor.

9. Effect of Application

9.1 Submission of Application

Applications for New Securities offered by this Prospectus can only be made in accordance with the instructions on the accompanying Application Forms. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company.

The Application Form does not need to be signed to be a binding acceptance of Shares. If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final. Payment made through BPAY® or EFT, constitutes a binding and irrevocable offer to apply for Shares (including any Shortfall Shares) on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn.

By returning an Application Form, lodging an Application Form with a stockbroker or otherwise arranging for payment of Shares in accordance with the instructions on the Application Form (including via EFT or BPAY®), you acknowledge that you have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus. You will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) if participating in the Entitlement Offer, represent to the Company that you are an Eligible Shareholder, and that the Entitlement Offer can be made to you in accordance with this Prospectus, in accordance with applicable securities laws;

- (b) you have read and understood this Prospectus and your Application Form in their entirety and provide the authorisations contained in this Prospectus and Application Form;
- (c) you agree to be bound by the terms of the Offers (as applicable) and the provisions of the Prospectus and the Company's constitution;
- (d) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Application Form;
- (e) all details and statements in the Application Form are complete and accurate;
- (f) you authorise the Company to register you as the holder of New Securities issued to you;
- (g) once the Company (or the Share Registry) receives the Application Form or any payment of Application Money via BPAY® or EFT, you may not withdraw it except as allowed by law;
- (h) you agree to apply for the number of Shares specified in the Application Form, or for which you have submitted payment of any Application Money via BPAY® or EFT, at \$0.05 per New Share;
- (i) you agree to be issued the number of Shares that you apply for in the Application Form and that potentially (in the case of an application in excess of your Entitlement) a lesser number of Shortfall Shares may be issued to you than that applied for;
- (j) if you apply for an Offer other than the Entitlement Offer, you declare that you are not a 'related party' (as that term is defined in the ASX Listing Rules) or a person to whom Listing Rule 10.11 applies;
- (k) you authorise the Company, each Joint Lead Manager, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (l) you authorise the Company to correct any errors in your Application Form or other form provided by you;
- (m) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (n) you acknowledge that the information contained in this Prospectus and the Application Form is not investment advice or a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs, and that this Prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (o) you acknowledge the statement of risks in the Risk Factors detailed in Part D of this Prospectus, and that investments in the Company are subject to investment risk;
- (p) you acknowledge that none of the Company, the Joint Lead Managers and their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (q) you acknowledge and agree that:

- (i) determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and
 - (ii) the Company and each of its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (r) you will also be deemed to have acknowledged, represented and warranted on your behalf and on behalf of and in relation to each person on whose account you are acting that:
- (i) you are not in the United States and are not acting for the account of or benefit of a person in the United States; and
 - (ii) you have not, and will not, send any materials relating to the Offers to any person in the United States;
 - (iii) you are not otherwise a person to whom it would be illegal or unlawful to make an offer or issue of New Securities under the Offers;
 - (iv) you have not and will not send any materials relating to the Offers to any person in the United States or any other country outside Australia or New Zealand or any jurisdiction where it is not lawful for the materials relating to the Offer to be sent; and
 - (v) you agree that the allotment of New Shares to you constitutes acceptance of your application.

Part C - Effect of the Offers

10. Effect of Offers on Wellnex's capital structure

10.1 Current capital structure of Wellnex

As at the date of this Prospectus, the Company has 423,719,190 Shares on issue, as well as the following securities:

(a) Options

ASX security code	Description of Options	Number
WNXO	Listed Options exercisable at \$0.20 on or before 10 July 2023 ²	49,025,221
WNXAA	Unlisted Options exercisable at \$0.15 on or before 30 September 2023 ³	13,500,000
WNXAG	Unlisted Options exercisable at \$0.18 on or before 20 August 2024 ⁴	2,500,000
WNXAH	Unlisted Options exercisable at \$0.20 on or before 20 August 2024 ⁵	7,500,000
WNXAB	Unlisted Options exercisable at \$0.15 on or before 6 February 2026 ⁶	7,315,776
WNXAE	Consideration options ⁷	3
	TOTAL	79,841,000

(b) Performance Rights

Each Performance Right entitles its holder to be issued one Share for nil consideration, upon satisfaction of certain prescribed vesting conditions, which are linked to performance and continuing service. The Performance Rights currently on issue in the Company are as follows:

² Class B Options issued to Reach Corporate and its related entity, certain Shareholder lenders, and sophisticated investors who participated in the Company's placement in April 2020 on various dates, under the Company's prospectus dated 13 May 2021.

³ Class A Options issued to Reach Corporate on 13 July 2021 as part consideration for corporate advisory services provided to the Company, under the Company's prospectus dated 13 May 2021.

⁴ Class C Options issued to Reach Corporate on 21 March 2022 as part consideration for corporate advisory services provided to the Company, as further detailed in the Company's Notice of Annual General Meeting lodged with ASX on 23 December 2021.

⁵ Class D Options issued to Reach Corporate on 21 March 2022 as part consideration for corporate advisory services provided to the Company, as further detailed in the Company's Notice of Annual General Meeting lodged with ASX on 23 December 2021.

⁶ Options issued to Reach Corporate and Mr Julius Cohen on 6 February 2023, as part consideration for corporate advisory services provided in relation to the Company's Share Purchase Plan (announced on 13 September 2022), as further detailed in the Company's Notice of Annual General Meeting lodged with ASX on 28 October 2022.

⁷ Consideration options issued on 28 June 2021 in connection with the Company's acquisition of Brand Solutions Australia and Pharma Solutions Australia, as further detailed in the Company's prospectus dated 13 May 2021.

ASX security code	Description of Performance Rights	Number
WNXAC	Director performance rights which vest in three tranches, subject to the Company achieving specified share price hurdles prior to the (a) 12 month; (b) 24 month; and (c) 36 month; anniversaries of the date of issue. ⁸	15,000,000

(c) **Convertible Notes**

The Company has one convertible note on issue (ASX security code: WNXAI), which was issued on 17 June 2022 (**Convertible Note**)⁹. The key terms of the Convertible Note are as follows:

- (i) **Face value:** \$6.2 million¹⁰;
- (ii) **Maturity date:** 24 months after completion of the relevant convertible note deed, unless extended by mutual agreement;
- (iii) **Coupon rate:** 9% per annum, which is to be paid every 90 days in arrears;
- (iv) **Conversion price:** \$0.21 per Share;
- (v) **Bonus option:** the noteholder has the right to receive one option for every two Shares issued, at an exercise price of \$0.21 and an expiry date 24 months from issue; and
- (vi) **Security:** the Convertible Note is secured against the Company's assets.

10.2 Effect of Offers on Wellnex's capital structure

Assuming that the maximum number of Securities are fully subscribed for and issued under the Offers, the capital structure of the Company will be as follows:

Particulars	Shares	Options	Performance Rights	Convertible Notes
On issue at the date of this Prospectus	423,719,190 ¹¹	79,841,000	15,000,000	1
To be issued under Initial Placement	45,000,000 ¹²	27,500,000 ¹³	0	0

⁸ The terms of the performance rights are detailed in the Company's Notice of Annual General Meeting lodged with ASX on 28 October 2022.

⁹ As further detailed in the Company's Notice of Annual General Meeting lodged with ASX on 28 October 2022.

¹⁰ As at the date of this Prospectus, the Company has drawn down \$6,150,000 (before costs).

¹¹ This number includes the 10 million Tranche 1 Shares issued as part of the Initial Placement.

¹² This number assumes the maximum number of Tranche 2 Shares are issued under the Initial Placement, based on an issue price of \$0.04 per Share.

¹³ This number assumes that the maximum number of Tranche 2 Shares are issued under the Initial Placement (55,000,000, based on an average subscription price of \$0.04), with the Attaching Options issued on a 1-for-2 basis.

To be issued under Entitlement Offer	105,929,797 ¹⁴	0	0	0
To be issued under Second Placement	400,000,000 ¹⁵	0	0	0
TOTAL	974,648,987	107,341,000	15,000,000	1

¹⁴ This number (which is subject to rounding for fractional entitlements) assumes that the Entitlement Offer is fully subscribed, and that no Securities are issued prior to the Record Date.

¹⁵ Assuming that the Second Placement is fully subscribed.

11. Pro forma consolidated statement of financial position

11.1 Introduction

Set out below for illustrative purposes is:

- (a) the Company's consolidated statutory historical financial information for the half year ended 31 December 2022 (**HY22**) comprising the reviewed historical statement of financial position as at 31 December 2022 (the **Statutory Historical Financial Information**);
- (b) the unaudited effects of the Offers (assuming completion of the Pain Away Transaction, and that the maximum number of Securities are fully subscribed for and issued under the Offers); and
- (c) the unaudited pro forma statement of financial position of the Company as at 31 December 2022, adjusted to reflect paragraph (b) (the **Pro Forma Historical Statement of Financial Position**),

(the Statutory Historical Financial Information and the Pro Forma Statement of Financial Position, together the **Financial Information**).

The information in this Section 11 should also be read in conjunction with all other information set out in this Document and in particular, the risk factors detailed in Part D .

All amounts disclosed in this Section 11 are unless otherwise noted, rounded to the nearest thousand Australian dollars. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

The Company has a 30 June financial year end.

11.2 Basis of preparation and presentation of the financial information

Overview of preparation and presentation of the Historical Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of Wellnex.

Given that Wellnex is in an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian equivalents to International Financial Reporting Standards (**AIFRS**) issued by the Australian Accounting Standards Board. Following the listing, the Company will report under AIFRS in Australian Dollars, which is its elected presentation currency. The significant accounting policies are described in Section 11.8.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) and AIFRS other than it includes certain adjustments which have been prepared in a manner consistent with

AAS and AIFRS, that reflect the impact of certain transactions as if they had occurred on or before 31 December 2022.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and AIFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 11 describes certain non-AIFRS financial measures that Wellnex Life Limited uses to manage and report on the business that are not defined under or recognised by AAS or AIFRS.

Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Historical Statutory Financial Information for Wellnex has been derived from the reviewed general purpose interim financial statements of Wellnex for the half year ended 31 December 2022.

The Pro Forma Historical Statement of Financial Position has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Statement of Financial Position has been derived from the reviewed statutory historical consolidated statement of financial position of Wellnex and adjusted for the effects of the pro forma adjustments, including the impact of the Offer as if it had occurred as at 31 December 2022.

In preparing the Financial Information, the Company's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

Going Concern

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that Wellnex will be able to continue as a going concern as a result of the proceeds raised from the Offers.

Accordingly, the board of Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the Financial Information.

11.3 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

Set out below is the statutory historical statement of financial position of Wellnex and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Wellnex's view of its financial position upon completion of the Offers or at a future date.

As at	31-Dec-22		
	Wellnex Reviewed \$'000	Pro forma Transactions \$'000	Pro forma \$'000
Current assets			
Cash and cash equivalents	4,318	3,500	7,818
Trade and other receivables	5,844	-	5,844
Prepayments and other current assets	1,085	-	1,085
Inventory	6,967	1,150	8,117
Total current assets	18,214	4,650	22,864
Non current assets			
Plant and equipment	49	-	49
Right of use of lease assets	208	-	208
Intangible assets	7,946	20,850	28,796
Total non current assets	8,203	20,850	29,053
Total assets	26,417	25,500	51,917
Current liabilities			
Trade and other payables	11,116	-	11,116
Lease liability	110	-	110
Employee benefits provisions	191	-	191
Borrowings	1,119	-	1,119
Total current liabilities	12,536	-	12,536
Non current liabilities			
Lease liability	106	-	106
Employee benefits provisions	73	-	73
Borrowings	5,468	-	5,468
Contingent consideration	375	-	375
Total non current liabilities	6,022	-	6,022
Total liabilities	18,558	-	18,558
Net assets	7,859	25,500	33,359
Equity			
Issued capital	110,118	25,274	135,392
Reserves	3,665	226	3,891
Accumulated losses	(105,924)	-	(105,924)
Total equity	7,859	25,500	33,359

Subsequent events:

The following transactions and events had not occurred prior to 31 December 2022 but have taken place or will take place on or before the issue of New Securities under the Offers. The pro forma financial information in this Section 11 assumes that they occurred on or before 31 December 2022:

- (a) On 19 May 2023, the Company raised a total of \$2.2 million under the Initial Placement. 10,000,000 Tranche 1 Shares under the Initial Placement were issued on 19 May 2023.
- (b) The Company will also issue up to an additional 45,000,000 Shares under Tranche 2 of the Initial Placement¹⁶, together with 27,500,000 Attaching Options, pursuant to the Initial Placement.

Pro forma adjustments:

The following pro forma adjustments are expected in connection with the Entitlement Offer, Shortfall Offer (if applicable) and Second Placement Offer:

- (c) the completion of the Entitlement Offer and Second Placement Offer (assuming full subscription of both Offers) which involve the issue of an aggregate of approximately 506 million New Shares at \$0.05 each, raising \$25.3 million (the **Subscription**);
- (d) cash expenses of the Offers and the Pain Away Transaction. The estimated costs and expenses (excluding GST) payable by the Company in relation to the Pain Away Transaction and the Offers are set out below:

Expenditure item	\$'000
Maximum capital raising fees of 6% of funds raised under the Second Placement Offer and Shortfall Offer ¹⁷	1,500
Legal fees in relation to Pain Away Transaction, Prospectus and the Offers	300
Accounting fees, Share Registry fees, ASX quotation fees, ASIC lodgement fees, printing, mailing, and other miscellaneous expenses related to the Offers	200
Total	2,000

- (e) the issue of up to 27,500,000 Attaching Options to the Initial Placement Subscribers; and
- (f) the acquisition of the Pain Away Business, including the direct purchase of \$1.15m in inventory, for up-front cash consideration of \$22m.

11.4 Pro forma capital structure

	Section ref	No. of shares	\$'000
As at 31 December 2022:		413,719,190	110,118
Subsequent events:			
Issue of Tranche 2 Shares under Initial Placement	11.3(a)	55,000,000	2,200

¹⁶ This is the maximum number of Shares that may be issued under Tranche 2 of the Initial Placement. Refer to Section 3.1(c) for further details.

¹⁷ This is the maximum amount of fees payable to the Joint Lead Managers, and assumes that no subscriptions are received under the Entitlement Offer, and that the Shortfall Offer is fully subscribed. Also assumes that the Second Placement Offer is fully subscribed. The Joint Lead Managers will be paid a capital raising fee of 6% of the gross proceeds raised under the Second Placement Offer and the Shortfall Offer. Refer to the terms of the JLM Mandate as further detailed in section 21.3.

	Section ref	No. of shares	\$'000
Pre Entitlement Offer and Second Placement Offer capital structure		468,719,190	112,318
Pro forma transactions in relation to the Subscription			
Entitlement Offer and Second Placement Offer	11.3(c)	505,929,797	25,300
Offers costs (cash)	11.3(d)	-	(2,000)
Offers costs (equity)	0	-	(226)
Total (undiluted)		974,648,987	135,392

11.5 Pro forma cash reconciliation

	Ref	\$
As at 31 December 2022:		4,318
Subsequent events:		
Issue of Shares under Initial Placement	11.3(a)	2,200
Pre Offer cash		6,518
Pro forma transactions in relation to the Subscription		
Entitlement Offer and Second Placement	11.3(c)	25,300
Offers costs	11.3(d)	(2,000)
Acquisition of Pain Away Business	0	(22,000)
Total		7,818

11.6 Critical Accounting Policies

Preparing financial statements in accordance with Australian Accounting Standards requires management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements the Company has made in the application of Australian Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The following key judgments are relevant to the Company.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Assessment of the carrying value of inventories

At each reporting date the directors consider the carrying values of inventory balances, at an individual SKU level to determine whether the net realisable value of those inventories is not below the carrying value. In cases where this arises, inventory is written down through a provision in the statement of financial position.

Assessment of acquisitions as either business or asset acquisitions

When an acquisition takes place, the directors assess whether or not the acquiree to the transaction meets the definition of a business. In assessing this, the directors consider the following matters which they also consider in their pre-transaction due diligence: the concentration of customers, suppliers and assets of the acquiree; the size of the workforce that joins the consolidated entity post acquisition and an overall understanding of the acquiree's trading activity pre-acquisition.

Borrowings with variable conversion terms

The Company's historical borrowings (including convertible notes) include variable share conversion terms. Upon initial recognition, the directors considered that, as the Company was not listed, no "specified price" existed for the issue of those shares which would meet the accounting definition of a derivative. Consequently, these borrowings, including their equity conversion clauses are measured together at fair value at initial recognition, being the initial consideration received for the financial instrument and thereafter at amortised cost.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences or carry-forward tax losses only if the directors consider it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

11.7 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

11.8 Summary of significant accounting policies in relation to the Financial Statements

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Wellnex Life Limited, and all of its subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Group's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) **Employee Benefits**

(i) *Short-term Employee Benefits*

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

(ii) *Other Long-Term Employee Benefits*

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(d) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(e) **Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(g) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Share-based payments

Equity-settled and cash-settled share-based compensation benefits may be provided to employees and third party suppliers.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are

awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- (i) during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- (ii) from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited. If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(j) **Borrowings**

At initial recognition borrowings are recognised at fair value, less any costs to contract for those borrowings. Thereafter, borrowings are recognised at amortized cost.

12. Effect of Offers on control of the Company and dilution

12.1 Control effect of Entitlement Offer and Shortfall Offer

The effect of the Entitlement Offer on the control of Wellnex will depend upon a number of factors including:

- (a) the level of Shareholder participation in the Entitlement Offer and the identity of Shareholders who participate in the Entitlement Offer;
- (b) if applicable, the level of Shareholder participation in the Shortfall Facility and the identity of Shareholders who participate in the Shortfall Facility; and
- (c) if applicable, the level of investor participation in the Shortfall Offer and the identity of investors who participate in the Shortfall Offer.

The following can be said about the potential effect of the Entitlement Offer on the control of Wellnex:

- (d) If every Eligible Shareholder was to take up their full Entitlement, there would be minimal effect on the control of Wellnex (having regard to the small shareholdings of Ineligible Foreign Shareholders), as the Entitlement Offer is made pro-rata and in that case there would not be any scope for any Shareholder to apply for Additional Shares under the Shortfall Facility, or for any other investors to participate in the Shortfall Offer;
- (e) The effect of the Entitlement Offer on the control of Wellnex will be limited by the 20% voting threshold under the general takeovers prohibition in section 606 of the Corporations Act. The Company has not appointed a nominee for the purposes of section 615 of the Corporations Act in respect of the Entitlement Offer. Accordingly, participation in the Entitlement Offer is subject to the 20% voting threshold under the general takeovers prohibition in section 606 of the Corporations Act, and no person will be permitted to acquire Entitlement Shares in reliance on the 'rights issue' exception (in item 10, section 611 of the Corporations Act) to the general takeovers prohibition set out in section 606 of the Corporations Act.
- (f) Even where the Entitlement Offer is significantly undersubscribed by Eligible Shareholders, with the result that a large number of Shortfall Shares reverts to the Shortfall Offer, the effect of any such Shortfall Offer on the control of Wellnex is likely to be limited by the allocation policy described in Section 5, which is designed to mitigate potential control effects of any Shortfall Offer.

12.2 Shareholder dilution effect of Entitlement Offer

If you are an Eligible Shareholder and subscribe for your full Entitlement under the Entitlement Offer, you will not be diluted as a result of the Entitlement Offer.

If you are an Ineligible Foreign Shareholder, or an Eligible Shareholder who does not exercise your full Entitlement under the Entitlement Offer, your holdings will be diluted as a result of the Entitlement Offer (as compared to your holdings and number of Shares on issue as at the date of the Prospectus).

The table below demonstrates the dilutionary impact of the Entitlement Offer on Shareholders under the following scenarios:

- (a) where a Shareholder subscribes for no Entitlement Shares (including where the Shareholder is an Ineligible Foreign Shareholder);
- (b) where a Shareholder subscribes for 25% of its full Entitlement; and
- (c) where a Shareholder subscribes for 50% of its full Entitlement.

Shareholding as at Record Date		Entitlement under Entitlement Offer (1 for 4)	Shareholding after Entitlement Offer if 0% Entitlement accepted		Shareholding after Entitlement Offer if 25% Entitlement accepted		Shareholding after Entitlement Offer if 50% Entitlement accepted	
Number	%		Number	%	Number	%	Number	%
30,000,000	7.08	7,500,000	30,000,000	5.66	31,875,000	6.02	33,750,000	6.37
10,000,000	2.36	2,500,000	10,000,000	1.89	10,625,000	2.01	11,250,000	2.12
5,000,000	1.18	1,250,000	5,000,000	0.94	5,312,500	1.00	5,625,000	1.06

The table above assumes that:

- (d) the Company has 423,719,190 Shares on issue as at the Record Date (being the number of Shares on issue as at the date of the Prospectus).
- (e) the Entitlements not taken up are issued under the Shortfall Facility and/or Shortfall Offer, such that the maximum number of Entitlement Shares available under the Entitlement Offer are issued.
- (f) no further Shares (other than under the Entitlement Offer) are issued. The table above does not include the Shares to be issued under the Initial Placement (other than the Tranche 1 Shares) or the Second Placement, and does not factor in the dilutionary impact of the Initial Placement (other than the Tranche 1 Shares) or the Second Placement.

In the event that all Entitlements are not accepted, and some or all of the resulting Shortfall was not subsequently placed under the Shortfall Facility or Shortfall Offer, the dilution effect for each Shareholder not accepting their full Entitlement would be a lesser percentage.

12.3 Control effect of Placement Offers

The Company has managed the Initial Placement, and will manage the Second Placement Offer, such that none of the Applicants will obtain a relevant interest in Shares of 20% or more. No New Securities will be issued to any Shareholder or Applicant pursuant to the Initial Placement or Second Placement if, in the view of the Directors, to do so would increase that Shareholder's or Applicant's voting power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

The table below explains the potential effects of the Placement Offers on the control of Wellnex, by demonstrating the impact of the Placement Offers on the Shareholdings of eligible Applicants under the Placement Offers. The table below is based on the following assumptions:

- (a) the maximum number of Shares are fully subscribed for and issued under all the Offers;
- (b) no other Shares are issued after the date of this Prospectus, other than under the Offers;
- (c) the Shares under the Placement Offers are issued to the eligible Applicants of those Offers (and not their nominees) (**Recipients**), and the Recipients:

- (i) do not dispose of or acquire any Securities after the date of this Prospectus (other than under the Placement Offers); and
 - (ii) do not acquire any Shares under the Entitlement Offer (including under the Shortfall Offer);
- (d) the Recipients' Shareholdings after the Offers are calculated on an "as converted basis", which assumes that all Attaching Options issued under the Initial Placement have been exercised, and that all Shares underlying those Options have been issued.

Recipient(s)	Shareholding as at Prospectus date		No. of Securities to be issued under Placement Offers		Total Shares issued under Placement Offers on as converted basis	Shareholding after Offers	
	Number	%	Shares	Attaching Options		Number	%
Initial Placement Subscribers	56,047,923 ¹⁸	13.23	45,000,000 ¹⁹	27,500,000 ²⁰	72,500,000	128,547,923	13.19
Second Placement Investors	0 ²¹	0	400,000,000	0	400,000,000	400,000,000	41.04

¹⁸ Based on the Company's register as at the date of the Prospectus. This number includes the Tranche 1 Shares issued to the Initial Placement Subscribers on 19 May 2023.

¹⁹ This number assumes the maximum number of Tranche 2 Shares are issued under the Initial Placement (45 million), based on an average issue price of \$0.04. This number does not include the Tranche 1 Shares issued under the Initial Placement.

²⁰ This number assumes that the maximum number of Tranche 2 Shares are issued under the Initial Placement (45 million), based on an average subscription price of \$0.04, with the Attaching Options issued on a 1-for-2 basis.

²¹ The identity of the Second Placement Investors is not yet known. As such, this assumes that the Second Placement Investors hold no Shares as at the Prospectus date.

Part D - Risk Factors

13. Introduction

This section identifies some of the major risks associated with an investment in the Company. Investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which Wellnex intends to operate before any decision is made to subscribe for New Securities.

Eligible Shareholders should be aware that subscribing for New Securities involves various risks. The New Securities to be issued pursuant to the Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Securities. The Company's business is also in its early growth stage, where it is continuing to build its branding and market penetration. Accordingly, an investment in New Securities in Wellnex should be considered very speculative.

14. Risks specific to the Offers

14.1 Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. In addition, existing Shareholders will have their holding in the Company diluted following completion of the Initial Placement and the Second Placement.

The Company may issue new equity securities in the future to finance acquisitions or reduce debt which may, under certain circumstances, dilute the value of a Shareholder's interest in the Company.

14.2 Control

The Directors intend to take reasonable steps through the Shortfall Facility and Shortfall Offer to maximise dispersion of any Shortfall under the Entitlement Offer, so as to reduce the control effects of the Entitlement Offer on the Company. However, assuming some Shareholders take up their Entitlement and others do not, there is a risk that voting power may be consolidated among fewer Shareholders and the interests of these Shareholders may not align with other Shareholders' interests.

14.3 Dividends

Any decisions regarding the payment of dividends in respect of the Company's Shares is determined at the discretion of the Board, having regard to relevant factors which include the Company's available profits, cashflow, financial condition, operating results, future capital requirements, covenants in relation to financing agreements, as well as economic conditions more broadly. There is no guarantee that a dividend will be paid by the Company in future periods, or, if paid, paid at historical levels.

15. Risks specific to the Pain Away Transaction

15.1 Pain Away Transaction funding

Completion of the Pain Away Transaction is not subject to a financing condition precedent, and accordingly there is a risk that the acquisition will not proceed and the Business Sale Agreement will be terminated if the Company is unable to successfully complete the Offers. The Pain Away Sellers will be entitled to retain, and the Company will forfeit, the Deposit if the Business Sale

Agreement is terminated prior to completion of the Pain Away Transaction for any reason other than due to:

- (a) an insolvency event having occurred in relation to any of the Pain Away Sellers;
- (b) a material breach of the Business Sale Agreement by any of the Pain Away Sellers;
- (c) a material adverse change having occurred in relation to the Pain Away Business; or
- (d) the Manufacturing Agreement Condition not being fulfilled (despite the Company complying with its obligations to fulfil it to the best of its endeavours).

15.2 Pain Away Business synergies

On completion of the Pain Away Transaction, the Company anticipates realising a number of synergies between Wellnex's existing businesses and the Pain Away Business. Any anticipated add-backs, synergies and other savings assume that, amongst other things:

- (a) a majority of all administrative and corporate expenses, and employee costs, of the Pain Away Business will be absorbed by Wellnex's current employees, resources, business infrastructure and existing arrangements;
- (b) there will be reductions in marketing spend as a result of scale efficiencies;
- (c) all third party sales costs (including outsources / contracts sales representatives, etc.) will not be incurred under new ownership (on the basis that Wellnex has sufficient sales resourcing employed / available);
- (d) Wellnex will use its existing properties to service the incremental business and therefore no additional material leases or office spaces will be required;
- (e) Wellnex incurs its own professional fees and does not expect incremental costs following the integration of the Pain Away Business; and
- (f) that Wellnex will be able to carry its existing rebate arrangements (for its current product portfolio) across its portfolio of Pain Away Business products after completion of the Pain Away Transaction.

Anticipated synergies may not be realised to their full extent (if at all), may require a longer period to be realised, or involve greater costs to achieve. The ability to realise any synergies will be dependent on, among other things, the success of management in maintaining and growing the Pain Away Business in an efficient, effective and timely manner without disruption to the Company's other businesses.

15.3 Failure to acquire

If for any reason the Pain Away Transaction does not proceed, including because of a failure to satisfy conditions precedent or other breach of the Business Sale Agreement, the Company will need to redirect the majority of the funds raised under the Offers to working capital, another acquisition, or a potential return of capital to Shareholders or other uses to be determined by the Board.

16. Company and industry risks

The risks outlined below are specific to the Company's operations.

16.1 Business strategy execution risk

The Company's future growth and financial performance is dependent on the Company's ability to successfully execute its business strategy. This will be impacted by a number of factors, including the Company's ability to:

- (a) develop its brands portfolio through new product development and market execution;
- (b) ensure the brands of the Company deliver on their promise;
- (c) identify and support new and existing brands with the potential to develop into global brands;
- (d) innovate and develop new products that are appealing to consumers; and
- (e) continue to expand its distribution into direct consumer channels.

There can be no assurance that Wellnex can successfully achieve any or all of the above initiatives / strategies. The failure by Wellnex to successfully execute its business strategy could have a material adverse effect on the Company's business, financial condition and results of operations.

16.2 Competition risk

The health and wellness market is highly competitive and if the Company's customers and partners are unable to compete effectively, the Company's results may suffer. Wellnex faces competition from companies throughout Australia, including large multinational consumer health companies. Some of these competitors have greater resources than the Company and may be able to respond more effectively to changing business and economic conditions. The Company's products compete with other widely advertised brands.

Competition in the health and wellness market is based on pricing of products, quality of products and packaging, perceived value and quality of brands, innovation, in store presence and visibility, promotional activities, advertising, editorials, e-commerce and other activities. Wellnex's ability to compete also depends on a number of factors, including:

- (a) the continued strength of its products and brands;
- (b) ongoing growth and innovation in the health and wellness segments;
- (c) the success of the Company's branding, execution and integration strategies;
- (d) the successful management of new products; and
- (e) the successful integration of acquisitions.

16.3 New product risk

The Company's new products may not be as successful as anticipated, which could have a material adverse effect on the Company's business, financial condition or results of operations. A failure to successfully develop and commercialise these products could lead to loss of opportunities and adversely impact the Company's operating results and financial position. Each new product launch carries such risks, as well as the possibility of unexpected consequences, including:

- (a) the advertising, promotional and marketing strategies for new strategies may be less effective than planned and may fail to effectively reach consumers;

- (b) product purchases by consumers may not be as high as anticipated;
- (c) the Company may experience product shortages and / or product returns exceeding expectations as a result of new product launches. In addition, retailer space reconfigurations may be impacted by retailer inventory management or changes in retailer pricing or promotional strategies;
- (d) costs may exceed expectations as a result of the continued development and launch of new products, including, for example, advertising, promotional and marketing expenses, sales return expenses or other costs related to launching new products; and
- (e) product pricing strategies for new products may not be accepted by retail customers or their consumers, which may result in sales being less than anticipated.

16.4 Growth risk

Should the Company's growth accelerate at a higher rate than anticipated, the Company may, through lack of availability of materials or packaging, inability to scale production in a timely manner, lack of manufacturing capacity, lack of suitable labour or other unforeseen circumstances, be unable to supply its products in a timely manner to meet the demand of its customers. Should this occur, the Company may risk the loss of either third party manufacturing clients or suffer a reduction in the customer base for its own products. Such events could have an adverse effect on both the reputation of the Company as well as its financial results.

16.5 Market and consumer trend risk

Rapid changes in market trends and consumer preferences could adversely affect the Company's financial results. The Company's continued success depends on its ability to anticipate, gauge and react in a timely and cost-effective manner to industry trends and changes in consumer preferences / attitudes toward its products and services. Wellnex must continually work to develop, produce and market new products and maintain and enhance the recognition of its branding. Failure to anticipate, react and adapt to industry trends in a timely and cost effective manner may affect the Company's financial results. However, the Company cannot predict consumer trends which may change rapidly. Additionally, the increasing use of social media (such as Facebook, Instagram, Twitter, WeChat and Weibo) by consumers affects the speed at which information and opinions are shared, which may result in the rapid change of industry trends / consumer preferences. If Wellnex is unable to anticipate, respond and adapt to new trends in the market / changes to consumer preferences, the Company's financial performance may suffer.

16.6 Counterfeit products

Third parties may distribute and sell counterfeit versions of the Company's products, which may be inferior in quality and/or pose safety risks for consumers. Consumers could confuse the Company's products with these counterfeit products, which could cause them to refrain from purchasing the Company's brands in the future and in turn could adversely affect sales revenue. The presence of counterfeit versions of the Company's products in the market could also dilute the value of the Company's brands or otherwise have a negative impact on its reputation and business.

The Company believes its trade marks, copyrights, and other intellectual property rights are important to its success and its competitive position. The Company devotes resources to the registration and protection of its intellectual property and, subject to circumstances at the time, intends to pursue any parties involved in the sale of counterfeit products. However, despite these efforts the Company may be unable to prevent all counterfeiting of its products or the

infringement of its intellectual property rights. For the reasons outlined above, the counterfeiting of the Company's products may have an adverse impact on the Company's business reputation and financial performance.

16.7 Counterparty risk

The Company is heavily reliant on its main customers, suppliers and strategic partners, including its distribution partners.

The Company is reliant on its retail partners who are responsible for a majority of the sales and distribution of the Company's products to Australian pharmacies, grocery, mass market and health stores and other retailers. These distribution partners each purchase and carry in their store networks a broad variety of the Company's product range. Each of them are large commercial entities with significant bargaining leverage in contractual negotiation.

As is customary in the health personal care market, the Company and/or its distributors are a party to each of their pharmacy customers' or grocery customers' standard trading terms which do not contain minimum purchase volumes. Accordingly, if underlying consumer demand for the Company's product diminishes then the distributors and direct customers will reduce the volume of their orders for the Company's products.

The Company's distributors may cause damage to the Company's brand reputation by breaching distribution agreements. A failure by any of the Company's distributors or agency partners to comply with their commitments could lead to a loss of opportunities for the Company and adversely impact the Company's operating results and financial position,

Inputs for the Company's products consist of raw material and packaging components and are purchased from various third-party suppliers. The loss of multiple suppliers or a significant disruption or interruption in the supply chain could have a material adverse effect on the manufacturing and packing of the Company's products. Increases in the costs of raw materials or other commodities may adversely affect the Company's profit margins if higher costs cannot be passed on in the form of price increases or unless the Company can achieve further cost efficiencies in its manufacturing and distribution processes.

Wellnex is heavily reliant on out-sourced logistics. Accordingly, if an adverse event occurs such as a strike, poor logistics technology, increases in the price of energy, changes in transport services and the physical destruction of infrastructure (e.g. roads and railways), Wellnex (or its third party providers) may not be able to efficiently supply and deliver the Company's products. This may have an adverse impact on the Company's financial performance.

In addition, failure by the Company's third party suppliers to comply with ethical, social, product, labour and environmental laws, regulations or standards, or their engagement in politically or socially controversial conduct, such as animal testing, could negatively impact their reputations. Any of these failures or behaviours could lead to various adverse consequences, including damage to the Company's reputation, decreased sales and consumer boycotts.

As a party to many contracts and agreements, the Company will have various contractual rights in the event of non-compliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties or in the case of a breach that the Company will be successful in securing compliance with the terms of each contract by the relevant counterparties to its contracts. There is also no assurance as to the financial strength of the parties to complete their obligations under the various contracts when such financial obligations fall due.

16.8 Reputational risk

The Company's failure to protect its reputation, or the failure of its partners to protect their reputations, could have a material adverse effect on the image of the Company's brands.

The Company's ability to maintain its reputation is critical to the image and consumer perception of its various brands. The Company's reputation could be jeopardised if it fails to maintain high standards for merchandise quality and integrity or if the Company, or the third parties with whom it does business, do not comply with regulations or accepted practices. Any consequential negative publicity may reduce demand for the Company's products.

Failure to comply with ethical, social, product, labour and environmental standards, or related political considerations, such as animal testing, could also jeopardise the Company's reputation and potentially lead to various adverse consumer actions, including boycotts. Failure to comply with local laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also damage the Company's reputation.

The Company depends on the reputations of its third party clients, which can be affected by matters outside the Company's control. Damage to the Company's reputation or the reputations of its third party clients could have a material adverse effect on the Company's results of operations, financial condition and cash flows, as well as require additional resources to rebuild the Company's reputation.

16.9 Sufficiency of funding

Wellnex has limited financial resources and will need to raise additional funds from time to time to finance the complete development and commercialisation of new and current product lines and its other longer-term objectives. It is likely that Wellnex in the future may require additional capital (debt or equity) for working capital and, if that occurs by way of an equity issue, there is no guarantee of the issue price at which such additional equity capital is raised and there is potential dilution for existing shareholders.

The Company's ability to raise additional funds and the price at which any funds are raised, will be subject to, among other things, factors beyond the control of Wellnex and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by Wellnex on favourable terms, if at all.

16.10 Financial performance

Wellnex currently incurs losses from its operations and there is no assurance that Wellnex will achieve profitability. The proposed acquisition of the Pain Away Business with its established presence in the market with growing revenue and profitability will assist in the company achieving profitability, but no assurance can be given that Wellnex will achieve profitability.

16.11 Trading price of Shares

At the request of the Company, the securities of the Company have been suspended from quotation on the ASX since 22 May 2023, and remain suspended as at the date of this Prospectus. Following the lifting of the suspension, it is not possible to predict what the value of the Company or its Shares will be. Accordingly, following completion of the Offers, the Directors do not make any representations as to the value of the Company or the Shares.

16.12 Customer credit risk

A general decline in economic conditions or business downturn may negatively impact an existing purchasing customer's ability to purchase the Company's products or services. Such financial difficulties could result in Wellnex reducing or ceasing its business with that retailer customer. Alternatively, Wellnex may extend further credit to its retailer customers. The Company's inability to collect such receivables (i.e., bad debts) from one or a group of retailer customers could have a material adverse effect on the Company's financial performance. If a retailer customer were to go into liquidation, Wellnex could incur additional costs if Wellnex decides to buy back the retailer customer's inventory of the Company's products to protect its brand.

16.13 Currency risk

Revenue and expenditures in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. Where a material proportion of the Company's revenue is in the future generated in foreign currencies, the Company will be exposed to the risk of changes in exchange rates of such foreign currency against the Australian dollar. Wellnex has no plans at this stage to hedge its foreign currency payments.

16.14 Business disruption risk

Wellnex is engaged in developing and distributing products. Accordingly, Wellnex is subject to the risks inherent in such activities, including environmental events, strikes and other labour disputes, industrial accidents, disruptions in supply chain, product quality control, safety and regulatory issues and other events outside of the Company's control including natural disasters.

16.15 Information technology risks

Wellnex relies on and uses information technology in conducting its business including (but not limited to) using the internet to process, transmit and store electronic and financial information, for digital marketing purposes, to manage a variety of business processes and activities such as inventory control, financial management and reporting database management. If Wellnex is unable to protect against service interruptions, data corruption, cyber security breaches or network security breaches, the Company's business operations could be negatively affected.

The Company's information technology systems (some of which may be managed by a third party), may be vulnerable to disruptions, damage or shutdowns as a result of failures during the process of upgrading or replacing software, computer viruses, power outages, hardware failures, computer hacking, user errors or other similar events. If the Company's information technology systems suffer severe damage, disruption or shutdown and Wellnex does not efficiently resolve such issues, the sale of the Company's product may be materially and adversely affected.

17. General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

17.1 Economic risks

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates, access to debt and capital markets, international economic conditions, significant acts of

terrorism, hostilities or war or natural disasters, and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions may have an adverse impact on the Company's business or financial condition. No guarantee can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

Any deterioration in the domestic and global economy may have a material adverse effect on the performance of the Company's business and its share price. It is possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks, may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past, and may in the future, be subject to significant volatility.

17.2 Market conditions

An investment in the Company's Shares has the general risks associated with any investment in the share market. Returns from an investment in Shares will depend on general stock market conditions as well as the performance of the Company. The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. The trading price of the Company's Shares may be subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, announcements of new contracts by the Company or its competitors, announcements by the Company or its competitors of significant acquisitions, technological developments, capital commitments, additions or departures of key personnel and other events or factors, many of which are beyond the Company's control.

Further, general share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook (including as a result of COVID-19); interest rates and inflation rates; currency fluctuations; changes in investor sentiment; the demand for, and supply of, capital; and terrorism or other hostilities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

17.3 Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

17.4 Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

17.5 Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors. The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of the Company.

17.6 Litigation and court proceedings

On 23 November 2023, a liquidator was appointed to Little Innoscents Pty Ltd (ACN 624 126 718), a wholly owned subsidiary of the Company, in respect of a creditors' voluntary winding up. The liquidation is ongoing as at the date of this Prospectus.

Save for as otherwise disclosed, the Company is not currently engaged in any litigation or court proceeding. However, the Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

17.7 Insurance risk

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

18. Concluding comment

The above list of risk factors ought not to be taken as an exhaustive one of the risks faced by Wellnex or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Wellnex and the value of the New Securities offered under this Prospectus. Therefore, the New Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value or price at which those New Securities may be traded.

Investment in Wellnex must be regarded as highly speculative and neither Wellnex nor any of its Directors or any other party associated with the preparation of this Prospectus guarantee that any specific objectives of Wellnex will be achieved or that any particular performance of Wellnex or of the New Securities, including those offered by this Prospectus, will be achieved.

Part E - Rights and liabilities attaching to New Securities

19. Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

At the date of this Prospectus, all Shares on issue in the Company are of the same class and rank equally in all respects. The New Shares issued pursuant to this Prospectus will rank equally with existing Shares on issue.

Voting at a general meeting	At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.
Meetings of members	Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules.
Dividends	The Board may from time to time resolve to pay any dividend they think appropriate, and fix the time for payment.
Transfer of Shares	Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by a written instrument of transfer in any form authorised by the Corporations Act, or by any other method permitted by the Corporations Act and Listing Rules. The Board may, in its discretion, ask ASX Settlement to apply a holding lock to prevent a transfer of Shares in certain prescribed circumstances, including where the Company has a lien over any of the Shares transferred, registration of the transfer may breach an Australian law, and where otherwise permitted to do so under the Corporations Act or Listing Rules.
Issue of further Shares	Subject to the Corporations Act, Listing Rules and any rights and restrictions attached to a class of Shares, the Company may issue, or grant options in respect of further Shares on such terms and conditions as the Board resolves.
Winding up	If the Company is wound up, then subject to any rights or restrictions attached to a class of Shares, any surplus must be divided among the Company's Shareholders in proportion to the number of Shares held by them. If the Company is wound up, the liquidator may (with the sanction of a special resolution) divide among the Shareholders in whole or in part the property of the Company.
Unmarketable parcels	Subject to the Corporations Act and Listing Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of

	<p>Shares upon notice to that Shareholder, unless, within 6 weeks from the date of the notice:</p> <ol style="list-style-type: none"> 1. The Shareholder's holding increases to a marketable parcel; 2. The Shareholder no longer holds the Shares; or 3. The Shareholder gives written notice to the Company stating that it wishes to retain its holding.
Share buy backs	Subject to the Corporations Act and Listing Rules, the Company may buy back Shares in itself on terms and conditions determined by the Board.
Variation of class rights	At present, the Company's only class of shares on issue is ordinary Shares. The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of Shareholders in the affected class, vary or abrogate the rights attaching to Shares.

20. Rights and liabilities attaching to Attaching Options

The material terms and conditions of the Attaching Options being offered under the Initial Placement are as follows:

20.1 Entitlement

Each Attaching Option entitles the holder to subscribe for one Share in the Company upon exercise of the Option.

20.2 Exercise Price

The amount payable upon exercise of each Attaching Option will be \$0.10 (**Exercise Price**).

20.3 Expiry Date

Each Attaching Option will expire at 5.00pm (AEST) on that date that is two years from the date of issue (**Expiry Date**). Any Attaching Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

20.4 Exercise Period

The Attaching Options are exercisable at any time from the date of issue, on or prior to the Expiry Date (**Exercise Period**).

20.5 Notice of Exercise

The Attaching Options may be exercised during the Exercise Period by notice in writing to the Company in the manner acceptable to the Company acting reasonably (**Notice of Exercise**), and payment of the Exercise Price for each Attaching Option being exercised, in Australian currency by electronic funds transfer or other means of payment acceptable to the Company acting reasonably.

20.6 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Attaching Option being exercised in cleared funds (**Exercise Date**).

20.7 Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Attaching Options specified in the Notice of Exercise, and for which cleared funds have been received by the Company.

20.8 Shares issued on exercise

Shares issued on exercise of the Attaching Options rank equally with the then issued ordinary shares of the Company and be issued fully paid and free of Encumbrances.

20.9 Participation in new issues

There are no participation rights or entitlements inherent in the Attaching Options and holders will not be entitled to participate in new shares of capital offered to Shareholders during the currency of the Attaching Options without exercising the Attaching Options.

20.10 Change in exercise price

An Attaching Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Attaching Option can be exercised, except as provided in the ASX Listing Rules.

20.11 Reconstruction

In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Attaching Option holder shall be changed to the extent necessary to comply with the ASX Listing Rules applying at the time.

20.12 Transferability

The Attaching Options are transferable.

20.13 Quotation

- (a) The Attaching Options will not be quoted on the ASX.
- (b) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Attaching Options within 5 business days (as defined in the ASX Listing Rules) of issue.

Part F - Additional Information

21. Further information

21.1 Commercial discussions

As part of Wellnex's stated growth strategy for FY24²², the Company is seeking to (amongst other things):

- (a) build on its existing IP licensing arrangements²³, by expanding its product SKUs and securing new international distribution territories under those existing arrangements; and
- (b) launch new medicinal cannabis products for the Special Access Scheme Category B (**SAS-B**) market in Australia, under its joint venture with Chemist Warehouse and OneLife Botanicals²⁴.

In line with its FY24 growth strategy, the Company is currently progressing discussions with various parties, including to:

- (c) expand its product SKUs and international distribution territories under existing IP licensing agreements; and
- (d) launch new medicinal cannabis products in markets within and outside of Australia, under its joint venture with Chemist Warehouse and OneLife Botanicals.

These discussions are ongoing, and as at the date of this Prospectus no formal agreement(s) have been reached about the matters outlined above, and there is no certainty that these discussions will lead to formal agreement(s) being reached.

21.2 Business Sale Agreement for Pain Away Transaction

- (a) (**Parties**) The Company will acquire certain assets of the Pain Away business from the Pain Away Sellers.
- (b) (**Assets to be acquired**) The assets being acquired under the Pain Away Transaction will comprise assets owned and used by the Pain Away Sellers in their operation of the Pain Away business, including without limitation the intellectual property in the ingredients lists for the Pain Away products, and their associated TGA registrations, the Pain Away registered trade marks, inventory, and certain other contracts such as a lease and manufacturing agreement. The assets being acquired specifically excludes the "Athelite Business" which will continue to be conducted by the Pain Away Sellers, subject to the restraints outlined below.
- (c) (**Conditions Precedent**) Completion of the Pain Away Transaction under the Business Sale Agreement (**Completion**) is subject to a number of conditions precedent being satisfied or waived (**Conditions Precedent**), being:

²² Refer to pages 11 - 12 of Wellnex's Investor Presentation lodged with ASX on 25 May 2023.

²³ The Company is party to licensing and contract manufacturing agreements with (i) a subsidiary of Haleon plc, Haleon UK Trading Services Limited (formerly GlaxoSmithKline Consumer Trading Services Limited); and (ii) Arrotex Pharmaceuticals Pty Ltd, to use Wellnex's intellectual property for soft gel analgesic product formulations in Australia and New Zealand.

²⁴ Refer to Wellnex's ASX announcement titled "Wellnex to Enter the SAS-B Medicinal Cannabis Market with CW", dated 14 March 2023.

- (i) the Company obtaining all necessary ASX approvals (including Shareholder approval) required under the ASX Listing Rules in relation to the Pain Away Transaction; and
 - (ii) the novation and extension of a key product manufacturing agreement, or in the alternative, a new manufacturing agreement being entered into by Wellnex and the manufacturer, on substantially similar terms (**Manufacturing Agreement Condition**).
- (d) (**Consideration**) The purchase price for the Pain Away Transaction is \$22 million (subject to customary adjustments) in cash (**Purchase Price**), which will comprise a deposit of \$2.2 million, payable upon execution of the Business Sale Agreement (**Deposit**), with the balance of the Purchase Price payable at Completion. If the Business Sale Agreement is terminated prior to Completion for any reason other than due to:
- (i) an insolvency event having occurred in relation to any of the Pain Away Sellers;
 - (ii) a material breach of the Business Sale Agreement by any of the Pain Away Sellers;
 - (iii) a material adverse change having occurred in relation to the Pain Away business; or
 - (iv) the Manufacturing Agreement Condition not being fulfilled (despite the Company complying with its obligations to fulfil it to the best of its endeavours),

then the Pain Away Sellers will be entitled to retain the Deposit.

- (e) (**Inventory**) The assets acquired include inventory (comprising agreed quantities of finished saleable products and raw materials with a minimum specified shelf life, and product packaging) to the minimum value of \$1.15 million. Corresponding adjustments will be made to the Purchase Price if the value of inventory (determined on the stocktake date, being one business day prior to Completion) is below or exceeds the target value of \$1.15 million. If the inventory value exceeds the threshold of \$2.5 million, Wellnex has the option, but is not obliged, to purchase some or all of the excess inventory.
- (f) (**Completion**) Completion must occur within 10 business days of the date on which the last Condition Precedent is satisfied, but in any event, no later than 31 July 2023 (**Sunset Date**).
- (g) (**Warranties**) The Business Sale Agreement contains warranties and indemnities from the Pain Away Sellers and Company which are considered standard for an agreement of this nature. The period within which a warranty claim can be made by the Company is 24 months from Completion.
- (h) (**Termination**) Either the Pain Away Sellers on one hand, or the Company on the other hand, has the right to terminate the Sale Agreement prior to Completion if:
- (i) an insolvency event occurs in respect of the other party;
 - (ii) the other party commits a material breach of the Business Sale Agreement, and fails to remedy such breach within 10 business days after receiving notice of the breach; or
 - (iii) a Condition Precedent is not satisfied by the Sunset Date.

The Company also has the right to terminate the Business Sale Agreement prior to Completion if a material adverse change occurs in relation to the Pain Away business.

- (i) (**Restraint**) The Pain Away Sellers and their associates have each agreed not to compete with the Pain Away business or solicit customers or employees of the business for a period

of 5 years from Completion, in Australia and New Zealand. However, they will not be restrained from conducting the “Athelite Business”, subject to them agreeing not expand the range of “Athelite” products beyond the existing product range; for a period of 2 years post-Completion.

21.3 Joint Lead Manager Mandate Agreement

The Company, Salter Brothers and JB Advisory are parties to a mandate agreement dated 5 June 2023 (**JLM Mandate**), under which the Company has appointed Salter Brothers and JB Advisory as Joint Lead Managers of the Second Placement Offer and the Shortfall Offer (**Relevant Offers**).

The key terms of the JLM Mandate are set out below:

- (a) (**Lead manager services**) JB Advisory and Salter Brothers’ services in connection with the Relevant Offers include (but are not limited to): managing and marketing the Relevant Offers; advising on and developing the Offer timetable; advising on structuring, size and pricing of the Offers and the capital structure of the Company following completion of the Offers; assisting with drafting the Offer documents; assisting the Company to identify and evaluate potential investors; conduct the bookbuild undertaken in connection with the Relevant Offers; allocating the Offer Securities; and working with the Company, its counsel and other relevant parties in the documentation and closing of the Relevant Offers.
- (b) (**Term**) The JLM Mandate is effective from the date on which it is executed by all parties, and remains in place until such time as it is terminated by either the Company or one of the Joint Lead Managers.
- (c) (**Fees**) Under the JLM Mandate, the Company will pay a capital raising fee equal to 6% of the proceeds of the Relevant Offers (exclusive of GST) (**Capital Raising Fee**) to the Joint Lead Managers by way of deduction from the proceeds of the Relevant Offers. The Capital Raising Fee is then to be split equally (50:50) between Salter Brothers and JB Advisory.
- (d) (**Termination**) The JLM Mandate may be terminated by a party at any time, with or without cause, provided 5 days’ notice have been given. Note that no notice is required where termination is a result of the Company breaching the mandate. Further, termination by either JB Advisory or Salter Brothers, does not automatically terminate the obligations of the other parties and a replacement Joint Lead Manager may assume the role.
- (e) (**Representations and warranties**) The JLM Mandate sets out the various representations and warranties which have been made by the parties in respect of their powers and capacities, their conduct, information documents issued by the Company, the information provided (including financial information), insolvency, the conduct of, litigation and insurance.
- (f) (**Indemnity**) Pursuant to the JLM Mandate, the Company agrees to indemnify and hold harmless the Joint Lead Managers from and against all losses that they may sustain or incur, whether or not the loss is directly or indirectly, related to the services or the Relevant Offers.

22. Company is a disclosing entity

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to

continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus" issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a more concise prospectus in relation to an offer of securities, in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus, if they satisfy certain requirements.

In general terms, a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 24 below).

23. Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

24. Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date for acceptances under this Prospectus:

- (a) the annual financial report of the Company for the 12 month period ended 30 June 2022 (being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus) which was lodged with the ASX on 1 September 2022;
- (b) the half-yearly report for the 6 months ended 31 December 2022, which was lodged with the ASX on 28 February 2023; and
- (c) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from 1 September 2022 (being the date of lodgement of the Company's most recent annual financial report) to the date of this Prospectus:

Date lodged	Title of ASX Announcement
09/06/2023	Notice of Extraordinary General Meeting/Proxy Form
31/05/2023	Extension of Voluntary Suspension
26/05/2023	Proposed issue of securities - WNX
26/05/2023	Proposed issue of securities - WNX
26/05/2023	Application for quotation of securities – WNX
25/05/2023	Investor Presentation
25/05/2023	Wellnex Entered into Binding Agreement to Acquire Pain Away
22/05/2023	Suspension from Official Quotation
18/05/2023	Trading Halt
28/04/2023	Appendix 4C and Quarterly Report for March 2023 Quarter
12/04/2023	Trading Update
15/03/2023	Investor Briefing
14/03/2023	Wellnex to Enter the SAS-B Medicinal Cannabis Market with CW
28/02/2023	Wellnex Life Releases Half Year Report
28/02/2023	Half Yearly Report and Accounts
14/02/2023	Pharmacy Own Products Update
09/02/2023	Appendix 3Y – KL
09/02/2023	Appendix 3Y – EJ
09/02/2023	Appendix 3Y – ZB
09/02/2023	Appendix 3Y – GK
09/02/2023	Notification regarding unquoted securities – WNX
09/02/2023	Notification regarding unquoted securities – WNX
09/02/2023	Notification regarding unquoted securities – WNX
24/01/2023	Appendix 4C and Quarterly Report for December 2022 Quarter
09/01/2023	Trading Update – Half Year Ended 31 December 2022
05/01/2023	Becoming a substantial holder
13/12/2022	Completion of Mr Bright Acquisition and Trading Update
08/12/2022	Cleansing Notice
08/12/2022	Application for quotation of securities – WNX
07/12/2022	Proposed issue of securities – WNX
29/11/2022	Results of Meeting
29/11/2022	AGM Presentation
29/11/2022	CEO AGM Letter
18/11/2022	Trading Update
02/11/2022	Wellnex Launces E-Commerce Platform and Brand TheSet.Co
28/10/2022	Appendix 4C and Quarterly Report for September 2022 Quarter
28/10/2022	Notice of Annual General Meeting/Proxy Form
25/10/2022	Appendix 3Y – ZB
25/10/2022	Appendix 3Y – GK
25/10/2022	Appendix 3Y – KL
25/10/2022	Appendix 3Y – EJ
24/10/2022	Application for quotation of securities – WNX

20/10/2022	Proposed issue of securities – WNX
20/10/2022	Strategic Placement & Successful Share Purchase Plan
18/10/2022	Trading Halt
18/10/2022	Pause in Trading
14/10/2022	SPP Update and Investor Briefing
10/10/2022	OneLife Acquires MediPharm Australia and SPP Update
05/10/2022	Trading Update
05/10/2022	Extension of SPP
30/09/2022	Appendix 4G and Corporate Governance Statement
30/09/2022	Annual Report to shareholders
14/09/2022	Investor Presentation
14/09/2022	Share Purchase Plan Cleansing Notice
14/09/2022	SPP Offer Open and Trading Update
14/09/2022	Share Purchase Plan Booklet
13/09/2022	Proposed issue of securities – WNX
13/09/2022	Wellnex Life Launches SPP
09/09/2022	Wellnex Life Acquires Teeth Whitening Brand Mr Bright
06/09/2022	Trading Update
01/09/2022	Wellnex Releases Appendix 4E and Preliminary Results
01/09/2022	Preliminary Final Report

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 33.

25. Information excluded from continuous disclosure notices

Other than as disclosed in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

26. Market price of Shares

The Company's Shares have been voluntarily suspended from quotation on the ASX since 22 May 2023, and remain suspended as at the date of this Prospectus.

The highest and lowest and last closing market prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC, and the respective dates of those sales, are:

Highest:	\$0.074 on 15 March 2023
Lowest:	\$0.053 on 17 May 2023
Last:	\$0.053 on 17 May 2023

27. Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

28. Litigation

Save for as otherwise disclosed, the Directors are not aware of any material legal proceedings which have been threatened or actually commenced against the Company.

29. Interests of Directors

29.1 Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with the formation or promotion of the Company, or the Offers.

29.2 Security holdings

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below:

Director	Shares	% of total Share capital	Options	Performance Rights ²⁵
Mr George Karafotias	1,302,346	0.31%	-	5,000,000
Mr Zack Bozinovski	13,648,500	3.22%	3 ²⁶	5,000,000
Mr Kobe Li	700,000	0.17%	-	2,500,000
Mr Eric Jiang	1,949,037	0.46%	-	2,500,000

29.3 Remuneration

The remuneration paid (including superannuation and non-cash share based payments) to Directors or their nominees during in the previous two financial years ended 30 June 2022 and 30 June 2021 is as follows:

²⁵ Refer to Section 10.1(b) for further details in respect of the terms of the Directors' Performance Rights.

²⁶ Consideration options issued on 28 June 2021 in connection with the Company's acquisition of Brand Solutions Australia and Pharma Solutions Australia, as further detailed in the Company's prospectus dated 13 May 2021.

Table of benefits and payments for the financial year ended 30 June 2022

	Short-term benefits		Post-employment benefits		Share-based payments	Total
	Cash salary and fees	Annual leave	Superannuation	Long Service Leave	Equity-settled	
	\$		\$	\$	\$	\$
Directors						
<i>Non-Executive Directors:</i>						
Eric Jiang ²⁷	85,000	-	-	-	-	85,000
Kobe Li ²⁸	185,250	-	-	-	-	185,250
<i>Executive Directors:</i>						
Zack Bozinovski	303,500	14,008	29,013	4,861	-	351,382
George Karafotias ²⁹	346,667	19,726	25,532	8,602	-	400,527
Total	920,417	33,734	54,545	13,463	-	1,022,159

Table of benefits and payments for the financial year ended 30 June 2021

	Short-term benefits		Post-employment benefits		Share-based payments	Total
	Cash salary and fees	Annual leave	Superannuation	Long Service Leave	Equity-settled	
	\$		\$	\$	\$	\$
Directors						
<i>Non-Executive Directors:</i>						
Eric Jiang	56,940	-	-	-	-	56,940
Kobe Li ³⁰	147,600	-	-	-	-	147,600
<i>Executive Directors:</i>						
George Karafotias ³¹	328,043	24,701	19,503	8,846	-	381,093
Tony McKenna ³²	38,052	-	3,615	-	-	41,667
Total	570,635	24,701	23,118	8,846	-	627,300

30. Related party transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

²⁷ Amounts paid includes director fees for FY21 amounting to \$33,000.

²⁸ Mr Li's remuneration comprised director fees of \$40,000, fees of \$50,000 for company secretarial services, and fees of \$95,250 for additional secretarial and consulting services outside the scope of normal director and agreed company secretarial work.

²⁹ This amount includes salary and wages for June 2021 which was paid in July 2021 and not accrued during FY21.

³⁰ Mr Li's remuneration comprised director fees of \$40,000, fees of \$50,000 for company secretarial services, and fees of \$57,600 for additional secretarial and consulting services outside the scope of normal director and agreed company secretarial work.

³¹ Appointed as director 9 November 2020 but was key management personnel for full year. These amounts reflect remuneration for full year. Amount for Cash Salary and Fees includes net movement in annual leave provision during the year.

³² Resigned 6 November 2020.

31. Substantial Shareholders

Based on information known to the Company as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial holder	Number of Shares	% of Share capital
JYSF Management Pty Ltd ATF JYSF Trust, Jeffrey Yeh, Pei-Ling Yeh and Sze En Feng	56,047,923	13.23%
Ian Ollifent & GGP Investments Pty Ltd	38,863,363	9.17%
Lazarus Karasavvidis & Martin Glenister	25,332,198	5.98%

32. Interests of other persons

(a) Except as disclosed in this Prospectus, no:

(i) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(ii) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

(iii) the formation or promotion of the Company;

(iv) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or

(v) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with the formation or promotion of the Company, or the Offers.

(b) Holding Redlich has acted as Australian legal advisers to the Company in relation to the Offers. The Company estimates that it will pay fees of approximately \$70,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, fees totalling \$351,530.00 (excluding GST and disbursements) have been paid or are payable to Holding Redlich for the provision of legal services to the Company.

- (c) Salter Brothers (or its related entities) will be paid fees of up to \$759,000 in relation to its services as Joint Lead Manager to the Shortfall Offer and Second Placement Offer³³. During the 24 months preceding lodgement of this Prospectus with ASIC, fees totalling \$142,000 (excluding GST) have been paid or are payable to Salter Brothers (or its related entities), for the provision of capital raising and corporate advisory services to the Company.
- (d) JB Advisory (or its related entities) will be paid fees of up to \$759,000 in relation to its services as Joint Lead Manager to the Shortfall Offer and Second Placement Offer³⁴. During the 24 months preceding lodgement of this Prospectus with ASIC, no fees have been paid or are payable to JB Advisory (or its related entities).

33. Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, and any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

Party	Role
Holding Redlich	Australian legal advisers
Salter Brothers Capital Pty Limited	Joint Lead Manager for Shortfall Offer and Second Placement
JB Advisory Partners Pty Ltd	Joint Lead Manager for Shortfall Offer and Second Placement
Computershare Investor Services Pty Limited	Share Registry

- (a) has given its consent to be named in this Prospectus as set out above and has not withdrawn its consent at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;
- (c) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section.

³³ Assumes that no subscriptions are received under the Entitlement Offer, and that the Shortfall Offer is fully subscribed. Also assumes that the Second Placement Offer is fully subscribed. Refer to the terms of the JLM Mandate as further detailed in section 21.3.

³⁴ Assumes that no subscriptions are received under the Entitlement Offer, and that the Shortfall Offer is fully subscribed. Also assumes that the Second Placement Offer is fully subscribed. Refer to the terms of the JLM Mandate as further detailed in section 21.3.

None of the parties referred to in this Section 33 has authorised or caused the issue of this Prospectus or the making of the Offers.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

34. Estimated costs and expenses of the Offers and Pain Away Transaction

The estimated costs and expenses (excluding GST) payable by the Company in relation to the Pain Away Transaction and the Offers are set out below.

Fees/ expenses	\$'000
Maximum capital raising fees of 6% of funds raised under the Second Placement Offer and Shortfall Offer ³⁵	1,500
Legal fees in relation to Pain Away Transaction, Prospectus and the Offers	300
Accounting fees, Share Registry fees, ASX quotation fees, ASIC lodgement fees, printing, mailing, and other miscellaneous expenses related to the Offers	200
Total	2,000

35. Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by an Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

36. Enquiries

For enquires regarding this Prospectus or the Offers, please contact the Joint Lead Managers on

- (a) Salter Brothers: Ryan Legudi (ryan.legudi@salterbrothers.com.au)
- (b) JB Advisory: Michael Pegum (michael@jbadvisory.com.au)

For enquiries concerning your Entitlement or your shareholding in the Company, please contact the Share Registry, Computershare Investor Services Pty Limited on 1300 850 505 or +61 (3) 9415 4000 (from outside Australia). For general Shareholder enquiries, please contact the Company Secretary on: kobe.l@wellnexlife.com.au

³⁵This is the maximum amount of fees payable to the Joint Lead Managers, and assumes that no subscriptions are received under the Entitlement Offer, and that the Shortfall Offer is fully subscribed. Also assumes that the Second Placement Offer is fully subscribed. The Joint Lead Managers will be paid a capital raising fee of 6% of the gross proceeds raised under the Second Placement Offer and the Shortfall Offer. Refer to the terms of the JLM Mandate as further detailed in section 21.3.

Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Signed for and on behalf of Wellnex Life Limited



George Karafotias

Chief Executive Officer and Managing Director

Part G - Glossary

Additional Shares has the meaning given to that term by Section 4.6.

AEST means Australian Eastern Standard Time.

Applicant means a person who applies for New Securities under and in accordance with this Prospectus.

Application means a valid application for New Securities offered under this Prospectus.

Application Form means the Application Form accompanying this Prospectus in respect of an Offer.

Application Money means money received from an Applicant in respect of an Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires).

Attaching Options has the meaning given to that term in Section 3.1(e).

Balance Date has the meaning given to that term in Section 11.

Board means the board of Directors of the Company, as constituted from time to time.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

Business Sale Agreement means the business sale agreement between Wellnex and the Sellers for the purchase of the Pain Away Business.

Chemist Warehouse means CW Retail Pty Ltd (ACN 606 452 297).

CHESS means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Company or **Wellnex** means Wellnex Life Limited (ACN 150 759 363).

Constitution means the Company's constitution, as amended or replaced from time to time.

Convertible Note has the meaning given to that term in Section 10.1(c).

Corporations Act means the *Corporations Act 2001* (Cth).

Deposit has the meaning given in Section 21.2(d).

Directors means the directors of the Company.

Dollars, \$ and cents are references to Australian currency.

Eligible Shareholder means a person registered as a holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Encumbrance means any interest or power:

- (a) reserved in or over any interest in any asset including, but not limited to, any retention of title;
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power; or
- (c) a security interest under the *Personal Property Securities Act 2009* (Cth),

by way of, or having similar commercial effect to, security for payment of a debt, any other monetary obligation or the performance of any other obligation, or any trust or any retention of title and includes, but is not limited to, any agreement to grant or create any of the above.

Entitlement means the pro-rata entitlement of a Shareholder to subscribe for Entitlement Shares under the Entitlement Offer, being 1 Entitlement Share for every existing 4 Shares held on the Record Date.

Entitlement Offer means the non-renounceable pro-rata entitlement offer under this Prospectus of up to approximately 105,929,797 Entitlement Shares, at an issue price of \$0.05 per Entitlement Share.

Entitlement Offer Closing Date means the closing date of the Entitlement Offer, being 5.00pm (AEST) on Wednesday, 12 July 2023 (unless extended).

Entitlement Shares means the Shares offered under the Entitlement Offer, at an issue price of \$0.05 per Entitlement Share.

Exercise Period has the meaning given to that term in Section 20.4.

Exercise Price has the meaning given to that term in Section 20.2.

Expiry Date has the meaning given to that term in Section 20.3.

FY24 means the financial year ending 30 June 2024.

General Meeting means the Company's annual general meeting scheduled to be held on 13 July 2023 at 11.00 (AEST).

GST means goods and service tax levied in Australia pursuant to *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Indicative Timetable means the indicative timetable (as varied from time to time) of the Offers under this Prospectus as outlined on page 2 of this Prospectus.

Ineligible Foreign Shareholder means a person registered as a holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.

Initial Placement means the offer of the Initial Placement Shares and Attaching Options to the Initial Placement Subscribers under this Prospectus.

Initial Placement Shares means the Shares to be issued to the Initial Placement Subscribers under the Initial Placement, comprising the Tranche 1 Shares and Tranche 2 Shares.

Initial Placement Subscribers means the Subscriber and its nominee, JYSF Management Pty Ltd (ACN 166 314 352) ATF JYSF Trust.

Issuer Sponsored means Shares issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

JB Advisory means JB Advisory Partners Pty Ltd (ACN 638 166 775).

Joint Lead Managers means Salter Brothers and JB Advisory, and **Joint Lead Manager** means any one of them (as the context requires)

JLM Mandate means the engagement letter and terms agreed between JB Advisory, Salter Brothers and the Company dated 5 June 2023.

Listing Rules means the official listing rules of ASX and any other rules of ASX which are applicable while any Securities are admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Manufacturing Agreement Condition has the meaning given to that term in Section 21.2(c)(ii).

New Securities means the New Shares and Attaching Options.

New Shares means the Shares offered under this Prospectus, being the Initial Placement Shares Entitlement Shares and Second Placement Shares (as the context requires).

Notice of Exercise has the meaning given to that term in Section 20.5.

Offers means the Initial Placement, the Second Placement Offer, the Entitlement Offer, and the Shortfall Offer made under this Prospectus, and **Offer** means any one of them (as the context requires).

Official List means the official list of ASX.

Official Quotation means quotation of securities on the Official List.

OneLife Botanicals means OneLife Botanicals Ltd (ACN 662 339 611).

Option means an option to acquire a Share in the capital of the Company and includes the Attaching Options.

Pain Away Business means the business and assets of "Pain Away".

Pain Away Sellers means 365 Health Australia Pty Limited (ACN 151 146 977), Ziptime Pty Limited (ACN 151 147 161), One Zero Pty Limited (ACN 128 389 524) and Twisobell Health Pty Limited (ACN 151 054 492).

Pain Away Transaction means the acquisition of the Pain Away Business by Wellnex from the Pain Away Sellers under the Business Sale Agreement.

Placement Offers means the Initial Placement and Second Placement Offer.

Prospectus means this prospectus dated 13 June 2023.

Purchase Price has the meaning given in Section 21.2(d).

Reach Corporate means Reach Corporate Pty Ltd (ACN 638 960 540).

Record Date means 7.00pm (AEST) on Friday, 16 June 2023.

Salter Brothers means Salter Brothers Capital Pty Ltd (ACN 602 615 083).

Second Placement or **Second Placement Offer** means the offer of up to 400 million Shares, at an issue price of \$0.05 per Share, pursuant to this Prospectus.

Second Placement Offer Closing Date means the closing date of the Second Placement Offer, being 5.00pm (AEST) on Tuesday, 25 July 2023 (unless extended).

Second Placement Investors has the meaning given to that term in Section 6.1.

Second Placement Shares means the Shares being offered pursuant to the Second Placement.

Section means a section of this Prospectus.

Securities means any securities including Shares or Options issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shareholder Approval has the meaning given to that term in Section 2.5.

Share Registry means Computershare Investor Services Pty Limited.

Shortfall means those Entitlement Shares offered under the Entitlement Offer not validly applied for by Shareholders under their Entitlements by the Entitlement Offer Closing Date, and which will revert to the Shortfall Facility, and subsequently to the Shortfall Offer (if applicable).

Shortfall Facility has the meaning given to that term in Section 4.6.

Shortfall Offer has the meaning given to it by Section 5.

Subscriber means Homart Group Pty Ltd (ACN 124 319 286).

Subscription Agreement the agreement dated 19 May 2023 between the Company and the Subscriber, in relation to the Initial Placement.

Tranche 1 Shares has the meaning given to that term in Section 3.1(b)(i).

Tranche 2 Shares has the meaning given to that term in Section 3.1(b)3.1(b)(ii)