

WELLNEXLIFE

Prospectus

Wellnex Life Limited

ACN 150 759 363

This Prospectus is being issued for the following Offers:

1. **Entitlement Offer:** a pro-rata non-renounceable Entitlement Offer to Eligible Shareholders to raise up to \$13.6 million (before costs), on the basis of 1 Entitlement Share (at an issue price of \$0.028) for every 1 Share held on the Record Date, together with 1 free Entitlement Option (exercisable at \$0.05 and expiring 30 June 2025) for every 3 Entitlement Shares issued.
2. **Shortfall Offer:** an offer of remaining Shortfall Shares (if any) not taken up under the Entitlement Offer.
3. **Consideration Offer:** an offer of 20,000,000 Consideration Shares to the Pain Away Seller under the Sale Agreement.
4. **Consultant Offer:** an offer of 20,000,000 Consultant Shares to the Pain Away Seller in connection with the Transitional Services.
5. **Advisor Offer:** an offer of 70 million Advisor Options (exercisable at \$0.05 and expiring 1 January 2026) to the Company's Joint Lead Managers and the Noteholder (and/or their nominee(s)).
6. **Homart Offer:** an offer of 23,571,428 Homart Shares, and 26,190,476 Homart Options (exercisable at \$0.05 and expiring 30 June 2025).

ENTITLEMENT OFFER CLOSING DATE: 5.00pm (AEDT) on 28 November 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, of itself, contain the same level of disclosure as an initial public offering prospectus. This Prospectus should be read in its 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	Ord Minnett  ORD MINNETT	Barclay Pearce Capital  BPC Barclay Pearce Capital

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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 November 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 New 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 27).

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 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 New Securities offered under this Prospectus 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 New Options in the Option Terms are not contained in the Glossary but are extracted with the Option Terms which are contained in Section 23 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.

Publicly available information

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. Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX.

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)
Prospective Directors	Mr Andrew Vidler (Proposed Non-Executive Director) Mr Jeffrey Yeh (Proposed 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>Ord Minnett Limited Level 18, Grosvenor Place, 225 George Street Sydney NSW 2000</p> <p>Barclay Pearce Capital Investment Pty Ltd Level 17, 115 Pitt 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>
Investigating Accountant	<p>William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street Melbourne VIC 3000</p>

Indicative Timetable

Event	Date (2023)
Company announces Entitlement Offer under Listing Rule 3.10.3	Monday, 13 November
Lodgement of prospectus with ASIC	Monday, 13 November
Lodgement of prospectus and Appendix 3B with ASX	Monday, 13 November
“Ex” Date (date from which shares commence trading with the entitlement to participate in the Entitlement Offer)	Wednesday, 15 November
Record Date (date for determining shareholder entitlements to participate in the Entitlement Offer)	7.00pm (AEDT) on Thursday, 16 November
Prospectus and personalised application forms sent to eligible shareholders and Company announces that dispatch has been completed	Friday, 17 November
Opening date of Entitlement Offer	Friday, 17 November
Last date to extend closing date	12.00pm (AEDT) Thursday, 23 November
Closing date of Entitlement Offer	5.00pm (AEDT) Tuesday, 28 November
Announcement of results of Entitlement Offer and Shortfall Offer	Friday, 1 December
Issue of Entitlement Offer shares and lodgement of Appendix 2A applying for quotation of the shares	12.00pm (AEDT) Tuesday, 5 December
Issue of Shortfall Offer shares and lodgement of Appendix 2A applying for quotation of the shares	12.00pm (AEDT) Wednesday, 6 December
Completion of Pain Away Transaction	By 8 December

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-1 entitlement offer of fully paid ordinary shares (**Shares**) at an issue price of \$0.028 per Share, together with 1 free attaching unlisted option, exercisable at \$0.05 and expiring 30 June 2025, for every 3 Shares issued under the entitlement offer (**Entitlement Offer**) to raise up to approximately \$13.6 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 Entitlement and Acceptance Form in accordance with the instructions set out on that form.

The Entitlement Offer opens on Friday, 17 November 2023 and remains open for subscription until 5.00pm (AEDT) on Tuesday, 28 November 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 Listing Rules.

The issue price of Shares issued under the Entitlement Offer is \$0.028 per Share, which represents a discount of 47.2% 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) and a 28.4% discount to the theoretical ex-rights price (**TERP**)¹.

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 Ord Minnett and Barclay Pearce Capital as Joint Lead Managers.

Funding acquisition of Pain Away

As announced in the 25 May announcement, Wellnex has entered into a transaction to acquire certain assets of Pain Away, an Australian pain relief brand. The acquisition 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.

As announced to ASX on 5 October 2023, Wellnex confirmed that revised terms for the Pain Away Transaction, had been agreed between the parties and formally documented in a replacement sale agreement dated 5 October 2023.

For further details on the Pain Away Transaction, refer to the Company's ASX announcements dated 4 July 2023, 5 October 2023 and 3 November 2023.

¹ TERP is the theoretical ex-rights price including the Placement shares. TERP is calculated by reference to Wellnex's shares closing price of \$0.053 on 17 May 2023, being the last trading day prior to the announcement of this Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Wellnex shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP.

The funds raised under the Entitlement Offer and Shortfall Offer will be primarily used to fund payment of the cash payable to the vendors at completion of the Pain Away Transaction.

General Meeting

Wellnex will hold its 2023 Annual General Meeting in or around December 2023. We encourage you to attend and vote at the meeting.

Further information

Full details of the Entitlement Offer, along with details of the Shortfall Offer are set out in this Prospectus. Please read this Prospectus carefully before deciding whether or not to invest. The Prospectus also includes details of the Adviser Offer, Consultant Offer, Consideration Offer and Homart Offer.

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, please contact Reach Markets on +61 (3) 8080 5975 or at investors@reachmarkets.com.au at any time between 8.30am and 5.00pm (AEDT) Monday to Friday until the Entitlement Offer Closing Date.

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 November 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"> ▪ Entitlement Offer of Entitlement Shares and Entitlement Options to Eligible Shareholders; ▪ Shortfall Offer of Shortfall Shares and Shortfall Options (if any); ▪ Advisor Offer of Advisor Options to the Joint Lead Managers and the Noteholder (and/or their nominee(s)); and ▪ Homart Offer of Homart Shares and Homart Options to the Homart Investor. <p>This Prospectus is also being issued in order to facilitate secondary trading of Shares issued under:</p> <ul style="list-style-type: none"> ▪ Consideration Offer of Consideration Shares to the Pain Away Seller; and ▪ Consultant Offer of Consultant Shares to the Pain Away Seller. 	Part A
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 1 Share held on the Record Date, together with 1 free Entitlement Option to acquire a Share (exercisable at \$0.05 and expiring 30 June 2025) for every 3 Entitlement Shares issued.	Section 3.1
Am I eligible to participate in the Entitlement Offer?	<p>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.</p> <p>The Entitlement Offer is not being extended to any Shareholders whose registered address is outside Australia or New Zealand.</p>	Section 3.1
How many new securities will be issued under the Entitlement Offer?	<p>Under the Entitlement Offer, up to 487,282,310 Entitlement Shares and 162,427,437 Entitlement Options (subject to fractional rounding) will be issued.</p> <p>This assumes that no further Shares are issued by the Company prior to the Record Date.</p>	Section 3.1

Question	Response	Reference
What is the price payable per Entitlement Share?	<p>\$0.028 per Entitlement Share.</p> <p>You do not need to pay any additional amount for the Entitlement Options, as they are issued as free attaching Options.</p>	Section 3.1
What are the Entitlement Options	<p>The Entitlement Options will be issued to the subscribers of Entitlement Shares under the Entitlement Offer, on the basis of 1 Entitlement Option for every 3 Entitlement Shares issued under the Entitlement Offer. Each Entitlement Option has an exercise price of \$0.05, and an expiry date of 30 June 2025.</p>	Section 3.1
Is the Entitlement Offer underwritten?	<p>The Entitlement Offer is not underwritten.</p>	Section 3.1
How much will be raised through the Entitlement Offer?	<p>If the Entitlement Offer is fully subscribed, the Company will raise approximately \$13.6 million (before costs), through the issue of approximately 487,282,310 Entitlement Shares.</p> <p>No additional proceeds will be raised through the issue of Entitlement Options. However, it is possible that the Company may raise an additional \$8.1 million if all 162,427,437 Entitlement Options are exercised.</p>	Section 3.1
How will the proceeds of the Entitlement Offer be used?	<p>The funds raised under the Entitlement Offer will be used:</p> <ul style="list-style-type: none"> ▪ towards payment of the Completion Payment, which forms part of the Purchase Price, and associated transaction costs for the Pain Away Transaction; and ▪ to pay for the costs in connection with the Offers. 	Section 3.2
How do I apply under the Entitlement Offer?	<p>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 Entitlement and Acceptance Form which accompanies this Prospectus, by the Entitlement Offer Closing Date.</p>	Part B
Can I sell my Entitlements under the Entitlement Offer?	<p>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.</p>	Section 3.1
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 \$0.028 under the Shortfall Facility described in Section 3.6.</p> <p>To do this, Eligible Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form which accompanies this Prospectus.</p>	Sections 9.2(b) and 9.4

Question	Response	Reference
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 3.6
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 the 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 4
Is the Entitlement Offer conditional?	The Entitlement Offer is not conditional, and is not subject to any minimum subscription condition.	Section 3.4
Consideration Offer		
What is the Consideration Offer?	<p>The Consideration Offer is an offer of Shares to the Pain Away Seller, as part consideration for the Company's acquisition of certain assets of Pain Away under the Sale Agreement.</p> <p>The Company issued the 20 million Consideration Shares to the Pain Away Seller on 3 November 2023.</p>	Section 5.2
Who is eligible to participate in the Consideration Offer?	Only the Pain Away Seller is entitled to participate in the Consideration Offer.	Section 5.2
Is the Consideration Offer conditional?	The Consideration Offer is not conditional.	Section 5.2
When will the Consideration Shares be issued?	The Company issued the Consideration Shares to the Pain Away Seller on 3 November 2023.	Section 5.2

Question	Response	Reference
Will any funds be raised from the Consideration Offer?	No funds will be raised from the issue of the Consideration Shares as they are being issued as part consideration for the Pain Away Transaction.	Section 5.6
Consultant Offer		
What is the Consultant Offer?	The Consultant Offer is an offer of 20 million Shares to the Pain Away Seller, as consideration for the Transitional Services.	Section 6.1
Who is eligible to participate in the Consultant Offer?	Only the Pain Away Seller is entitled to participate in the Consultant Offer.	Section 6.1
Is the Consultant Offer conditional?	The Consultant Offer is conditional upon completion of the Pain Away Transaction. If the Pain Away Transaction does not complete, the Company will not issue the Consultant Shares.	Section 6.1
When will the Consultant Shares be issued?	The Company will issue the Consultant Shares to the Pain Away Seller after (and subject to) completion of the Pain Away Transaction.	Section 6.1
Will any funds be raised from the Consultant Offer?	No funds will be raised from the issue of the Consultant Shares as they are being issued as consideration for the Transitional Services to be provided by the Pain Away Seller.	Section 6.6
Advisor Offer		
What is the Advisor Offer?	<p>The Advisor Offer is an offer of 70 million Options, comprising:</p> <ul style="list-style-type: none"> ▪ an offer of 50 million Options to the Joint Lead Managers (and/or their nominee(s)), on a 50/50 basis, as part consideration for services provided by the Joint Lead Managers in relation to the Offers; and ▪ an offer of 20 million Options to the Noteholder, in connection with the Convertible Note Deed Variation. <p>Each Advisor Option has an exercise price of \$0.05, and an expiry date of 1 January 2026 .</p>	Section 7.1
Who is eligible to participate in the Advisor Offer?	Only the Joint Lead Managers (and/or their nominee(s)) and the Noteholder (as applicable) are entitled to participate in the Advisor Offer.	Section 7.1

Question	Response	Reference
Is the Advisor Offer conditional?	The Advisor Offer is conditional upon Shareholder Approval under Listing Rule 7.1, which the Company intends to seek at the General Meeting.	Section 7.3
When will the Advisor Options be issued?	The Company intends to seek Shareholder approval for the issue of the Advisor Options pursuant to Listing Rule 7.1 at the General Meeting. The Company intends to issue the Advisor Options as soon as practicable after Shareholder Approval (as it relates to the Advisor Offer) is obtained.	Section 7.1
Will any funds be raised from the Advisor Offer?	<p>No funds will be raised from the issue of the Advisor Options, as they are being issued as consideration for services provided by the Joint Lead Managers, and in connection with the Convertible Note Deed Variation.</p> <p>Funds will be raised by the Company upon exercise of any of the Advisor Options. If all the Advisor Options are exercised, the Company will raise approximately \$3.5 million. In the event that any funds are raised through the exercise of Advisor Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.</p>	Section 7.5
Homart Offer		
What is the Homart Offer?	The Homart Offer is an offer of 23,571,428 Homart Shares and 26,190,476 Homart Options, on the basis of 1 Homart Option (exercisable at \$0.05 and expiring 30 June 2025) for every 3 Initial Placement Shares issued.	Section 8.2
Who is eligible to participate in the Homart Offer?	Only the Homart Investor is entitled to participate in the Homart Offer.	Section 8.2
Is the Homart Offer conditional?	The Homart Offer is conditional upon Shareholder Approval under Listing Rule 10.11 or Listing Rule 7.1 (whichever applies), which the Company intends to seek at the General Meeting.	Section 8.4
When will the Homart Shares and Homart Options be issued?	Subject always to the Takeover Threshold, the Company intends to issue the Homart Shares and Homart Options as soon as practicable after Shareholder Approval for the Homart Offer is obtained.	Section 8.2
Will any funds be raised from the Homart Offer?	<p>The Company raised a total of \$2.2 million (before costs) under the Initial Placement, which funds have been applied towards payment of the Purchase Price for the Pain Away Transaction under the Sale Agreement.</p> <p>No additional proceeds will be raised through the issue of the Homart Shares or Homart Options. However, if all Homart Options are</p>	Section 8.6

Question	Response	Reference
	<p>exercised the Company will raise approximately \$1.3 million. In the event that any funds are raised through the exercise of the Homart Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.</p>	
Control effect of Offers		
<p>What will be the effect of the Offers on the control of the Company?</p>	<p>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.</p>	<p>Section 15</p>
Key risks		
<p>What are the key risks of an investment in the Company?</p>	<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 certain assets of Pain Away.</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"> ▪ Going concern; ▪ Economic risks; ▪ Market conditions; ▪ Liquidity risk; ▪ Force majeure; ▪ Taxation and government regulations; ▪ Litigation risk; and ▪ Insurance risk. 	<p>Part D</p>
Further information		
<p>How can further information be obtained?</p>	<p>If you have questions about the Entitlement Offer, or if you require a personalised Entitlement Offer Application Form, contact Reach Markets on +61 (3) 8080 5975 or at investors@reachmarkets.com.au at any time between 8.30am and 5.00pm (AEDT) Monday to Friday until the Entitlement Offer Closing Date.</p> <p>If you have questions about Wellnex generally, or any of the Offers (other than the Entitlement Offer and Shortfall Offer), contact the Company on +61 3 8399 9419.</p>	<p>Section 39</p>

Question	Response	Reference
	For other questions, you should consult your broker, lawyer, accountant, financial adviser, or other professional adviser.	

2. Important Information

2.1 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 New 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 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) any Shares issued by the Company between the date of this Prospectus and the closing date for acceptances under this Prospectus; and
- (e) the Consideration Shares which were issued on 3 November 2023 without disclosure to the Pain Away Seller (under the applicable disclosure exemption in section 708(8) of the Corporations Act),

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

On-sale of underlying Shares for New Options

This Prospectus has also been prepared in respect of the offer of the New 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 New Options are issued with disclosure under this Prospectus, any Shares issued upon the exercise of those 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 New Options are issued with disclosure and the exercise of those Options does not involve any further offer.

2.2 Purpose of Offers

The Company is conducting the Entitlement Offer and Shortfall Offer to raise capital, to fund payment of the Completion Payment (being the part of the Purchase Price payable by the Company upon Completion of the Pain Away Transaction), and costs associated with the Offers and Pain Away Transaction. Refer to Section 37 for further information on the Company's proposed use of funds raised.

The Company will raise up to approximately \$13.6 million (before costs) under the non-underwritten Entitlement Offer (and if applicable, the Shortfall Offer).

The Company is conducting the Consideration Offer, the Consultant Offer, the Advisor Offer and the Homart Offer to meet its contractual obligations to issue securities to the Pain Away Seller (in respect of the Consideration Offer and Consultant Offer), to the Joint Lead Managers and Noteholder (in respect of the Advisor Offer), and to the Homart Investor (in respect of the Homart Offer).

2.3 Pain Away Transaction

As announced by the Company to ASX on 25 May 2023, which announcement was subsequently clarified by the Company on 4 July 2023² (**25 May announcement**), Wellnex has entered into a transaction to acquire certain assets of Pain Away, an Australian pain relief brand.

² Refer to the Company's ASX announcement dated 25 May 2023, titled "*Wellnex Entered into Binding Agreement to Acquire Pain Away*", and the Company's subsequent clarification ASX announcement dated 4 July 2023, titled "*Clarification of announcements and updated offer timetable*".

As noted in the 25 May announcement, the Pain Away Transaction adds significant scale to the Company's "100%-owned" brand portfolio, whilst strengthening its financial profile.

Pain Away is an Australian-owned brand of topical pain relief products focused on joint and muscle pain, developed using natural ingredients. The Pain Away product range consists of SKUs across the main categories of: creams, sprays, patches, lotions and other (primarily tablets, capsules and bath salts). These products are distributed nationally through pharmacy outlets across Australia (including Chemist Warehouse, Terry White Chemmart, Priceline Pharmacy, Amcal) as well as grocery retailers (including Woolworths, Coles and Aldi).

The Pain Away Transaction was formally documented under a sale agreement dated 19 May 2023 (**Original Sale Agreement**).

On 1 September 2023, the Company announced that the parties to the Pain Away Transaction were in the process of negotiating revised terms of the Pain Away Transaction. On 5 October 2023, the Company announced that revised terms for the Pain Away Transaction had been agreed between the parties and formally documented in a replacement sale agreement (**Sale Agreement**), for total consideration of \$22 million cash and 20 million Shares. The revised terms in the Sale Agreement reduces the upfront payment to be made on completion of the Pain Away Transaction, with the parties having agreed to a portion of the purchase price to be paid as Deferred Consideration.

The Sale Agreement superseded and replaced the Original Sale Agreement in relation to the Pain Away Transaction and the Original Sale Agreement has consequently been terminated with effect from 5 October 2023, and each party to that agreement has discharged each other party from their obligations under that agreement.

The Pain Away Transaction is expected to complete by the sunset date of 8 December 2023.

A summary of the key terms of the Sale Agreement is set out in Section 24.1.

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 New Options offered under this Prospectus.

2.5 Shareholder approvals at General Meeting

At the General Meeting, the Company will be seeking (amongst other things) Shareholder approvals:

- (a) under Listing Rule 7.1 for the issue of:
 - (i) the Consideration Shares under the Consideration Offer;

- (ii) the Consultant Shares under the Consultant Offer; and
 - (iii) the Advisor Options under the Advisor Offer; and
- (b) under Listing Rule 10.11 for the issue of the Homart Shares and Homart Options under the Homart Offer,

(each a **Shareholder Approval**, as the context requires). 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.

Other Offers

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of the Consideration Offer, Consultant Offer, Advisor Offer or Homart Offer 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 over \$2.00 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 2023 (FY23) can be found in the Company's FY23 audited annual financial report, lodged with ASX on 2 November 2023.

The Company's continuous disclosure notices (i.e., ASX announcements) since 2 November 2023 are listed in Section 27(b). 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. Entitlement Offer

3.1 Details of Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 Entitlement Share for every 1 existing Share held as at the Record Date of 7.00pm (AEDT) on Thursday, 16 November 2023, at the offer price of \$0.028 per Entitlement Share.

For every 3 Entitlement Shares subscribed for and issued under the Entitlement Offer, Applicants will also receive 1 Entitlement Option (exercisable at \$0.05 and expiring 30 June 2025), which are issued as free unlisted attaching Options.

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

As at the date of this Prospectus, the Company has 487,282,310 Shares on issue³, as well as the following unquoted securities:

- (a) 44,815,777 unlisted Options (refer to Section 12.1(a) for further details);
- (b) 15,000,000 Performance Rights (refer to Section 12.1(b) for further details); and
- (c) 1 Convertible Note held by the Noteholder (refer to Section 24.4 for further details).

Optionholders who exercise their Options into Shares after the date of this Prospectus but prior to the Record Date are entitled to participate in the Entitlement Offer. The same applies for the Noteholder, should it choose to exercise the Convertible Note into Shares prior to the Record Date. A summary of the key terms of the Convertible Note is set out in Section 24.4.

The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options (which are exercisable at between \$0.10 and \$0.20) will be exercised before the Record Date.

On the basis that no existing Options or the Convertible Note are exercised prior to the Record Date, the Entitlement Offer is for a maximum of 487,282,310 Entitlement Shares and 162,427,437 Entitlement Options (subject to rounding for fractional entitlements), to raise approximately \$13.6 million (before costs).

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

³ Of these Shares, 7,500,000 are escrowed until 7 December 2023, 20,000,000 are escrowed until 31 May 2024, 7,500,000 are escrowed until 7 December 2024.

determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Foreign Shareholder.

Your Entitlement

The number of Entitlement Shares and Entitlement Options 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 9.4 for instructions on how to do this).

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

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.

3.2 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 \$13.6 million (before costs). The Company proposes to use the proceeds of the Entitlement Offer:

- (a) to pay for the costs in connection with the Offers; and
- (b) towards payment of the Completion Payment and associated transaction costs for the Pain Away Transaction.

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

3.3 Rights attaching to Entitlement Shares and Entitlement Options

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 is set out in Section 22.

The Entitlement Options issued under the Entitlement Offer will be exercisable at \$0.05 each, on or before 30 June 2025. A summary of the rights and liabilities attaching to the Entitlement Options is set out in Section 23.

3.4 Entitlement Offer not conditional

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

3.5 Timetable of Entitlement Offer

The Company will accept Application Forms for the Entitlement Offer from the date it dispatches the Prospectus until 5.00pm (AEDT) 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.

3.6 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.

4. Shortfall Offer

4.1 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 as that offered under the Entitlement Offer, being \$0.028 per Share. As with the Entitlement Offer, for every 3 Shortfall Shares subscribed for and issued under the Shortfall Offer, Applicants will receive 1 Shortfall Option (exercisable at \$0.05 and expiring 30 June 2025).

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, or such other date as determined by the Company (subject to the ASX Listing Rules).

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.

4.2 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 and Shortfall Options under the Shortfall Offer in accordance with the allocation policy set out below:

- (a) The Shortfall Shares and Shortfall Options 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 and Shortfall Options to a spread of investors, in order to mitigate any control effects which may arise from issuing the Shortfall Shares or Shortfall Options 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 or Options 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 and Options under the Shortfall Offer must consider whether or not the issue of the Shares and Options applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances.

4.3 Rights attaching to Shortfall Shares and Shortfall Options

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 is set out in Section 22.

The Shortfall Options issued under the Shortfall Offer will be exercisable at \$0.05 each, on or before 30 June 2025. A summary of the rights and liabilities attaching to the Shortfall Options is set out in Section 23.

5. Consideration Offer

5.1 Pain Away Transaction

As announced on in the 25 May announcement, Wellnex has entered into a transaction to acquire certain assets of Pain Away, an Australian pain relief brand. On 5 October 2023, the Company announced that revised terms for the Pain Away Transaction had been agreed between the parties and formally documented in a replacement Sale Agreement. A summary of the key terms of the Sale Agreement is set out in Section 24.1.

5.2 Details of Consideration Offer

Under the Sale Agreement, the Company agreed to issue 20 million Consideration Shares to the vendors, as part consideration for the Pain Away Transaction. Pursuant to the terms of the Sale Agreement, the Consideration Shares were issued to the Pain Away Seller on 3 November 2023, using the Company's available placement capacity under Listing Rule 7.1. The Consideration

Shares are subject to voluntary escrow between their date of issue and 31 May 2024 (**Escrow Period**).

5.3 Purpose of Consideration Offer

The purpose of the Consideration Offer under this Prospectus is to enable the Consideration Shares offered under this Prospectus to be on-sold without disclosure, subject to any voluntary escrow restrictions.

5.4 Separate Offer

The Consideration Offer is a separate offer pursuant to this Prospectus and only the Pain Away Seller is entitled to participate in the Consideration Offer.

5.5 Rights attaching to the Consideration Shares

Consideration Shares issued under the Consideration 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 Consideration Shares is set out in Section 22.

5.6 Use of funds raised

No funds will be raised from the issue of the Consideration Shares, as they are being issued as part consideration for the Pain Away Transaction.

6. Consultant Offer

6.1 Details of Consultant Offer

The Company and the Pain Away Seller have negotiated certain terms and conditions under which the Seller will provide post-completion transitional services for a 30-day period following completion of the Pain Away Transaction (**Transitional Services**). The terms of the Transitional Services will be documented in a formal agreement, which is expected to be executed after (and subject to) completion of the Pain Away Transaction. It is anticipated that as consideration for the Transitional Services, the Company will agree, under the formal agreement, to issue 20,000,000 Consultant Shares to the Pain Away Seller as consideration for the Transitional Services.

Subject to completion of the Pain Away Transaction, the Company anticipates that it will issue the Consultant Shares to the Pain Away Seller on 11 December 2023, being 1 business day after the intended completion date of the Pain Away Transaction. Upon their issue, the Consultant Shares will be subject to voluntary escrow until 31 May 2024.

6.2 Purpose of Consultant Offer

The purpose of the Consultant Offer under this Prospectus is to enable the Consultant Shares offered under this Prospectus to be on-sold without disclosure, subject to any voluntary escrow restrictions.

6.3 Separate Offer

The Consultant Offer is a separate offer pursuant to this Prospectus and only the Pain Away Seller is entitled to participate in the Consultant Offer.

6.4 Consultant Offer conditional

The provision of the Transitional Services (and consequently, the issue of the 20,000,000 Consultant Shares) is subject to completion of the Pain Away Transaction.

The Company is seeking Shareholder Approval under Listing Rule 7.1 for the issue of the Consultant Shares at the General Meeting.

To the extent that Shareholder Approval under Listing Rule 7.1 is not received at the General Meeting, the Company intends to issue the Consultant Shares to the Pain Away Seller using the Company's available placement capacity under Listing Rule 7.1.

6.5 Rights attaching to the Consultant Shares

Consultant Shares issued under the Consultant 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 Consultant Shares is set out in Section 22.

6.6 Use of funds raised

No funds will be raised from the issue of the Consultant Shares, as they are being issued as consideration for the Transitional Services provided by the Pain Away Seller.

7. Advisor Offer

7.1 Details of the Advisor Offer

The Company has agreed to issue 70 million Advisor Options, comprising:

- (a) 50 million Advisor Options to the Joint Lead Managers (and/or their nominee(s)), as consideration for corporate advisory services provided by the Joint Lead Managers in relation to the Offers; and
- (b) 20 million Advisor Options to the Noteholder (and/or their nominee(s)), in connection with the Convertible Note Deed Variation (refer to Section 24.4 for further details).

Each Advisor Option has an exercise price of \$0.05, and an expiry date of 1 January 2026 .

7.2 Separate Offer

The offer of the Advisor Options is a separate offer pursuant to this Prospectus, and only the Joint Lead Managers and the Noteholder (and/or their nominee(s)) are entitled to participate in the Advisor Offer.

7.3 Advisor Offer conditional

The Advisor Offer is conditional upon Shareholder Approval under Listing Rule 7.1, which the Company intends to seek at the General Meeting.

The Company intends to issue Advisor Options as soon as practicable after Shareholder Approval (as it relates to the Advisor Offer) is obtained.

7.4 Rights attaching to the Advisor Options

The Advisor Options issued under the Advisor Offer will be exercisable at \$0.05 each, on or before 1 January 2026 . A summary of the rights and liabilities attaching to the Advisor Options is set out in Section 23.

7.5 Use of funds raised

No funds will be raised from the issue of the Advisor Options, as they are being issued as consideration for services provided by the Joint Lead Managers and in connection with the Convertible Note Deed Variation.

Funds will be raised by the Company upon exercise of any of the Advisor Options. If all the Advisor Options are exercised, the Company will raise approximately \$3.5 million. In the event that any funds are raised through the exercise of Advisor Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.

8. Homart Offer

8.1 Initial Placement

In the 25 May announcement, the Company announced that it would be conducting an equity financing comprised of, among other things, an initial placement of Shares and free attaching Options to the Homart Investor (to raise \$2.2 million (before costs) (**Initial Placement**)).

The Initial Placement was formally documented by a subscription agreement between the Company and the Homart Investor on 19 May 2023 (**Subscription Agreement**). Under the terms of the Subscription Agreement, the issue of securities under the Initial Placement was structured as follows:

- (a) 10,000,000 Shares were issued to the Homart Investor on 19 May 2023 (**Tranche 1 Shares**).
- (b) The Homart Investor was also entitled to receive additional “top up” Shares (**Tranche 2 Shares**), the number of which being 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 the “sunset date” of 15 August 2023, which was subsequently varied to 30 September 2023), or \$0.04 (in all other circumstances)

C = Number of Tranche 1 Shares, being 10,000,000

- (c) The Homart Investor was also entitled to receive (and was issued on 20 July 2023) a total of 27,500,000 free attaching options, with an exercise price of \$0.10 and an expiry date 2 years from the date of issue (**Initial Placement Options**).

As the Pain Away Transaction did not complete by 30 September 2023, variable **B** = \$0.04. On this basis, the Homart Investor became entitled to be issued a total of 45,000,000 Tranche 2 Shares.

Pursuant to the terms of the Subscription Agreement, the Company is not required to issue any Shares to the Homart Investor if the issue of Shares would result in the collective voting power of the Homart Investor in the Company exceeding 19.99% (**Takeover Threshold**), until the Homart Investor takes steps to ensure that the issue does not have that result.

The Company issued 34,000,000 Tranche 2 Shares to the Homart Investor on 13 October 2023. However, the remaining 11,000,000 Tranche 2 Shares (**Tranche 2 Balance Shares**) could not be issued, as the issue of these Shares would result in the Takeover Threshold being exceeded.

The Company intends to issue the Tranche 2 Balance Shares (which are subject to Shareholder approval) after the General Meeting, once the Shares under the Entitlement Offer and Consultant Offer have been issued and, as a result, the total number of Shares on issue in the Company will increase, such that the Homart Investor's proportional holdings will reduce sufficiently to be issued the Tranche 2 Balance Shares without exceeding the Takeover Threshold.

8.2 Details of Homart Offer

The Company and the Homart Investor have agreed to vary the terms of the Subscription Agreement, such that Initial Placement is conducted on the same terms as the Entitlement Offer, such that:

- (a) the Shares under the Initial Placement are to be issued at an average issue price of \$0.028 (rather than \$0.04); and
- (b) one free Homart Option is to be issued for every 3 Shares subscribed for by the Homart Investors under the Initial Placement (these Homart Options will be issued in addition to the Initial Placement Options already issued).

On this basis, the Homart Investor is entitled to receive:

- (c) 23,571,428 Homart Shares in addition to the 34,000,000 Tranche 2 Shares already issued and the 11,000,000 Tranche 2 Balance Shares to be issued following the Company's General Meeting; and
- (d) 26,190,476 Homart Options, on the basis of 1 Homart Option (exercisable at \$0.05 and expiring 30 June 2025) for every 3 Initial Placement Shares issued.

Assuming that the maximum number of Homart Shares and Homart Options is issued under the Homart Offer, and the Tranche 2 Balance Shares are issued following the General Meeting, the Homart Investor's shareholding will be as follows:

Particulars	Shares	Options
Securities held as at date of this Prospectus	92,882,130 ⁴	27,500,000 ⁵
To be issued under the Tranche 2 Balance Shares	11,000,000 ⁶	-
To be issued under Homart Offer	23,571,428	26,190,476
TOTAL	127,453,558	53,690,476

Subject always to the Takeover Threshold, the Company intends to issue the Homart Shares and

⁴ This includes the 10,000,000 Tranche 1 Shares issued on 19 May 2023 and 34,000,000 of the Tranche 2 Shares issued on 13 October 2023. This number of Shares is based on the Form 604 lodged by JYSF Management Pty Ltd (ACN 166 314 352) (ATF JYSF Trust) (and on behalf of Jeffrey Yeh, Pei-Ling Yeh and Sze En Feng) with the ASX on 10 November 2023.

⁵ These are the Initial Placement Options issued to the Homart Investor on 20 July 2023.

⁶ As noted in Section 8.1, the Tranche 2 Balance Shares could not be issued on 13 October 2023, as the issue of these Shares would have triggered the Takeover Threshold. The Company intends to issue the Tranche 2 Balance Shares (which are subject to Shareholder approval) after the General Meeting.

Homart Options (in addition to the Tranche 2 Balance Shares) as soon as practicable after Shareholder Approval for the Homart Offer is obtained.

8.3 Separate Offer

The Homart Offer is a separate offer pursuant to this Prospectus and only the Homart Investor is entitled to participate in the Homart Offer.

8.4 Homart Offer conditional

The Homart Offer is conditional upon shareholder approval under Listing Rule 10.11 or Listing 7.1 (whichever applies at the time) for the issue of the Homart Shares and Homart Options, which the Company is seeking at the General Meeting.

8.5 Rights attaching to the Homart Shares and Homart Options

Homart Shares issued under the Homart 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 Homart Shares is set out in Section 22.

The Homart Options issued under the Homart Offer will be exercisable at \$0.05 each, on or before 30 June 2025. A summary of the rights and liabilities attaching to the Homart Options is set out in Section 23.

8.6 Use of funds raised

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

No additional proceeds will be raised through the issue of the Homart Shares or Homart Options. However, if all Homart Options are exercised the Company will raise approximately \$1.3 million. 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.

Part B - Applications under Offers

9. Entitlement Offer

9.1 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 1 Share held as at the Record Date. For every 3 Entitlement Shares subscribed for and issued under the Entitlement Offer, Applicant's will also receive 1 Entitlement Option (exercisable at \$0.05 and expiring 30 June 2025).

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.

9.2 Options available to Eligible Shareholders

If you are an Eligible Shareholder, you may:

- (a) take up all of your Entitlement (see Section 9.3 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 3.6 (see Section 9.4 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 9.3 for instructions on how to do this); or
- (d) allow all of your Entitlement to lapse (see Section 9.7).

9.3 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 9.5 by no later than 5.00pm (AEDT) on the Entitlement Offer Closing Date.

9.4 Applying for Additional Shares

Eligible Shareholders who subscribe for their full Entitlement may apply for Additional Shares under the Shortfall Facility described in Section 3.6. 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 9.5 by no later than 5.00pm (AEDT) 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 (\$0.028) 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.

9.5 Payment options

Payment of Application Monies (Application Monies must be equal to the issue price per New Share of \$0.028 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.

9.6 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 (AEDT) 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.

9.7 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.

10. Applications under Shortfall Offer, Consideration Offer, Consultant Offer, Advisor Offer and Homart Offer

The Shortfall Offer, Consideration Offer, Consultant Offer, Advisor Offer and Homart Offer are only being extended to the persons who are invited by the Company to apply under those Offers, and is not open to the general public. An Application Form will be provided to participants in those Offers 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.

11. Effect of Application

11.1 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 \$0.028 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 (unless that Offer is conditional on shareholder approval under Listing Rule 10.11);
- (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

12. Effect of Offers on Wellnex's capital structure

12.1 Current capital structure of Wellnex

As at the date of this Prospectus, the Company has 487,282,310 Shares on issue⁷, as well as the following securities:

(a) Options

ASX security code	Description of Options	Number
WNXAG	Unlisted Options exercisable at \$0.18 on or before 20 August 2024 ⁸	2,500,000
WNXAH	Unlisted Options exercisable at \$0.20 on or before 20 August 2024 ⁹	7,500,000
WNXAK	Unlisted Options exercisable at \$0.10 on or before 20 July 2025 ¹⁰	27,500,000
WNXAB	Unlisted Options exercisable at \$0.15 on or before 6 February 2026 ¹¹	7,315,776
WNXAE	Consideration options ¹²	1
	TOTAL	44,815,777

(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:

⁷ Of these Shares, 7,500,000 are escrowed until 7 December 2023, 20,000,000 are escrowed until 31 May 2024, 7,500,000 are escrowed until 7 December 2024.

⁸ 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.

⁹ 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.

¹⁰ Initial Placement Options issued to the Homart Investor on 20 July 2023.

¹¹ 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.

¹² 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. ¹³	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. Further details of the Convertible Note and a summary of the key terms are set out in Section 24.4.

12.2 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	487,282,310 ¹⁴	44,815,777	15,000,000	1
Tranche 2 Balance Shares	11,000,000 ¹⁵			
To be issued under Entitlement Offer	487,282,310 ¹⁶	162,427,437	0	0
To be issued under Consultant Offer	20,000,000	0	0	0
To be issued under Advisor Offer	0	70,000,000	0	0
To be issued under Homart Offer	23,571,428	26,190,476		
TOTAL	1,029,136,048¹⁷	303,433,690¹⁸	15,000,000	1

¹³ The terms of the performance rights are detailed in the Company's Notice of Annual General Meeting lodged with ASX on 28 October 2022.

¹⁴ This number includes the 20 million Consideration Shares issued as part of the Pain Away Transaction.

¹⁵ Shares to be issued to the Homart Investor. Refer to Section 8.1 for further details.

¹⁶ 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.

¹⁷ This number does not include any Shares that may be issued under the Proposed Placement as the Company has not made a determination on the Proposed Placement as at the date of this Prospectus.

¹⁸ This number does not include any Options that may be issued under the Proposed Placement as the Company has not made a determination on the Proposed Placement as at the date of this Prospectus.

13. Pro forma consolidated statement of financial position

13.1 Introduction

The financial information relating to Wellnex contained in this Section 13 includes:

- (a) the Company's consolidated statutory historical financial information for the financial ended 30 June 2023 (**FY23**) comprising the audited historical statement of financial position as at 30 June 2023 (the **Statutory Historical Financial Information**); and
- (b) the pro forma statements of financial position of the Company as at 30 June 2023, based on the capital raising scenario below (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 13 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 13 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.

13.2 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 13.8.

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 30 June 2023.

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 13 describes certain non-AIFRS financial measures that Wellnex 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 audited general purpose financial statements of Wellnex for the year ended 30 June 2023.

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 Offers as if it had occurred as at 30 June 2023.

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 liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

The consolidated entity made a loss after tax of \$13,846,000 during the year ended 30 June 2023 (2022: loss of \$7,449,000) and the net cash used in operating activities was \$6,189,000 (2022: \$8,611,000 net outflow). The cash balance as at 30 June 2023 was \$322,000 (30 June 2022: \$3,181,000). The deficiency of current assets over current liabilities as at 30 June 2023 was \$2,919,000 (30 June 2022: there was a surplus of current liabilities over current assets of \$4,034,000). The net asset surplus as at 30 June 2023 was \$594,000 (30 June 2022: net asset deficiency of \$4,359,000).

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

Notwithstanding these results, the Directors believe that the Company will be able to continue as a going concern and as a result the financial statements have been prepared on a going concern basis. The accounts have been prepared on the basis that the consolidated entity will continue its business activities (and that, therefore, the Company is a going concern) for the following reasons:

- (a) the Company has refocused on its core business strategy of developing, marketing, and distributing health and wellness products, including the scaling and expansion of its product portfolio;

- (b) the Company acquired the Mr. Bright business, providing the consolidated entity with a wider and more diverse range of consumer health and wellness brands and products as well as supporting capabilities, including experienced management, R&D, sales and marketing and supply relationships;
- (c) the Company has signed an agreement for the acquisition of the assets of Pain Away, pursuant to the Pain Away Transaction. Once acquired, the Pain Away assets will provide the consolidated entity with a wider and more diverse range of consumer health and wellness brands and products. The Company is undertaking the Entitlement Offer to raise up to \$13.6 million via this Prospectus which, if raised, will be sufficient to satisfy the Completion Payment of \$12.8 million (plus \$1.15 million in direct purchase of inventory at the target value of \$1.15 million, which will be financed through a draw down of the Group's debt finance facility);
- (d) the Company is in the process of restructuring the terms of the Convertible Note, to extend the maturity date of the Convertible Note. The restructure will be subject to shareholder approval at the upcoming Annual General Meeting;
- (e) the Maturity Date of the Convertible Note will, subject to Shareholder Approval, and pursuant to the Convertible Note Deed Variation, be extended by 12 months from 21 June 2024 to 21 June 2025 (refer to Section 24.4 of this Prospectus for further information about the Convertible Note Deed Variation); and
- (f) the Company held a significant amount of inventory at the end of the financial year which will provide cashflow in future financial periods once sold to customers.

Asset Acquisition and Pro forma impact on Intangible Assets

The Directors have determined that the acquisition of Pain Away brand and inventory represents an asset acquisition in accordance with the requirements of Accounting Standard *AASB 3 Business Combinations* because Wellnex will be acquiring only inventory and the Pain Away brand, and because Wellnex will not be acquiring inputs, (management, operational and resource management) processes and outputs as defined by *AASB 3*. Furthermore, there will be no customer contracts, relationships or distribution agreements included in the sale agreement.

The impact of the asset acquisition accounting is that from the total acquisition value of \$22.0m, inventory will be recognised in the pro forma transactions at the agreed value of \$1.15m and the remaining balance will be accounted for as intangible assets.

13.3 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	30 June 2023			
	Wellnex	Subsequent	Pro forma	
	Audited \$'000	events \$'000	Transactions \$'000	Pro forma \$'000
Current assets				
Cash and cash equivalents	322	466	(253)	535
Trade and other receivables	4,598	-	-	4,598
Inventory	3,029	-	1,100	4,129
Prepayments and other current assts	3,428	-	(2,200)	1,228
Total current assets	11,377	466	(1,353)	10,490
Non current assets				
Plant and equipment	48	-	-	48
Right of use of lease assets	153	-	-	153
Intangible assets	3,462	-	20,650	24,112
Total non current assets	3,663	-	20,650	24,313
Total assets	15,040	466	19,297	34,803
Current liabilities				
Trade and other payables	7,111	-	-	7,111
Borrowings	6,788	-	(5,118)	1,670
Lease liabilities	110	-	-	110
Employee benefits provisions	287	-	-	287
Total current liabilities	14,296	-	(5,118)	9,178
Non current liabilities				
Lease liability	52	-	-	52
Employee benefits provisions	98	-	-	98
Borrowings	-	-	6,218	6,218
Deferred consideration	-	-	5,650	5,650
Total non current liabilities	150	-	11,868	12,018
Total liabilities	14,446	-	6,750	21,196
Net assets	594	466	12,547	13,607
Equity				
Issued capital	112,424	466	12,547	125,437
Reserves	3,727	-	-	3,727
Accumulated losses	(115,557)	-	-	(115,557)
Total equity	594	466	12,547	13,607

Subsequent events:

On 18 July 2023 the Company issued 9,313,120 Shares at \$0.05 (5 cents) as part of an entitlement offer, raising \$465,656.

Pro forma adjustments:

The following pro forma adjustments are expected in connection with the Offers and the Pain Away Transaction:

- (a) the issue of 487,282,310 Entitlement Shares at \$0.028 per Entitlement Share together with the issue of 162,427,437 Entitlement Options (exercisable at \$0.05 per Option and expiring 30 June 2025) under the Entitlement Offer to raise approximately \$13.6 million (before costs);
- (b) the issue of 20 million Consultant Shares to the Pain Away Seller under the Consultant Offer for transitional services to be provided by the Pain Away Seller under the Services Deed;
- (c) the issue of 70 million Advisor Options (exercisable at \$0.05 per Option and expiring 31 December 2025) to the Joint Lead Managers and the Noteholder (and/or their nominee(s)) under the Advisor Offer;
- (d) the issue of 23,571,428 Homart Shares to the Homart Investor together with the issue of 26,190,476 Homart Options (exercisable at \$0.05 per Option and expiring 30 June 2025) under the Homart Offer in connection with the Initial Placement;
- (e) 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 for Joint Lead Managers ¹⁹	816
Legal fees in relation to Pain Away Transaction, Prospectus, and the Offers	400 ²⁰
Investigating Accountant's fees	25
ASX quotation fees, ASIC lodgement fees	32
Share Registry fees, printing, mailing, and other miscellaneous expenses related to the Offers	50
Total	1,323²¹

- (f) the impact of the Pain Away Transaction, being:
 - (i) payment of the Purchase Price, which is structured as:
 - (A) advance payments of \$2.35 million which have already been paid to the Pain Away Seller;
 - (B) a completion payment of \$13.95 million (plus or minus, as applicable, the net adjustment amount, which comprises an inventory adjustment amount and a prepayments and accruals adjustment amount), payable on completion; of the \$13.95 million completion payment, \$1.15 million (in direct purchase of inventory) will be financed through a draw down of the Group's debt finance facility);

¹⁹ This is the maximum amount of fees payable to the Joint Lead Managers, and assumes that the Entitlement Offer and Shortfall Offer are fully subscribed. Refer to the terms of the JLM Mandate as further detailed in Section 24.5.

²⁰ This includes approximately \$220,000 in legal fees paid or payable in respect of the period ended 30 June 2023, which has been recognised in the Statutory Historical Financial Information.

²¹ This includes approximately \$220,000 in legal fees paid or payable in respect of the period ended 30 June 2023, which has been recognised in the Statutory Historical Financial Information.

- (C) balance of cash consideration (\$5.70 million) to be deferred, and paid in two instalments, being \$2.925 million payable in November 2024 and \$2.775 million payable in April 2025; and
- (ii) the issue of 20 million Consideration Shares.
- (g) Reclassification of the Group's convertible note liabilities to non-current, as a result of the Convertible Note Deed Variation, pursuant to which the Maturity Date of the Convertible Note will be extended by 12 months to 21 June 2025.

13.4 Pro forma capital structure

	Prospectus Ref	No. of shares	\$'000
As at 30 June 2023		423,719,190	112,424
Subsequent events:			
July 2023 entitlement offer		9,313,120	466
Initial Placement Tranche 1		34,000,000	
Consideration Shares	5.2	20,000,000	
Pre-Offers capital structure		487,282,310	112,890
Pro forma transactions in relation to the Offers			
Entitlement Offer and Shortfall Offer (assuming full subscription)	3.1, 4.1	487,282,310	13,650
Costs of Offers (cash)	13.3(e)	-	(1,103) ²²
Homart Offer and Tranche 2	8.2(c)	34,571,428	
Balance Shares			
Consultant Offer	6.4	20,000,000	
Total (undiluted)		1,029,136,048	125,437

13.5 Contractual obligations, commitments and contingent liabilities

There have been no changes to contractual obligations, commitments and contingent liabilities since the issue of the Group's annual report on 2 November 2023.

13.6 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

²² Estimated costs of the Offers, Prospectus and Pain Away Transaction, **excluding** approximately \$220,000 in legal fees paid or payable in respect of the period ended 30 June 2023, which has been recognised in the Statutory Historical Financial Information.

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.

13.7 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.

13.8 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, 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 are 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 are 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.

13 November 2023

The Directors
Wellnex Life Limited
Port Park – Building 2, Level 3, Suite 72
574 Plummer Street
PORT MELBOURNE, VIC 3207

Dear Sirs

Investigating Accountant’s Report on Wellnex Life Limited historical and pro-forma historical financial information

We have been engaged by *Wellnex Life Limited* and its controlled entities (“the Group”) to report on the historical financial information and pro-forma historical financial information of the Group for inclusion in a Prospectus document dated on or around 13 November 2023 and relating to the pro-rata non-renounceable Entitlement Offer to Eligible Shareholders to raise up to \$13.6 million (before costs), on the basis of 1 Entitlement Share (at an issue price of \$0.028) for every 1 Share held on the Record Date, together with 1 free Entitlement Option (exercisable at \$0.05 and expiring 30 June 2025) for every 3 Entitlement Shares issued (“the document”).

Expressions and terms defined in the document have the same meaning in this report.

Scope

Historical Financial Information

You have requested William Buck to review the following historical financial information of the Group (the responsible party) included in the public document:

1. the Group’s statutory historical financial information for the financial year ended 30 June 2023 (FY23) comprising the audited consolidated statement of financial position as at 30 June 2023.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Group’s adopted accounting policies, which are disclosed in the financial information section of the Prospectus document. The historical financial information has been extracted from the general purpose financial report of the Group for the financial year ended 30 June 2023, which were audited by William Buck in accordance with the Australian Auditing Standards.

Scope *(Continued)*

Historical Financial Information

William Buck issued an unmodified audit opinion on the financial report, which included a material uncertainty relating the going concern basis. The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro-forma historical financial information

You have requested William Buck to review the Group's audited statutory historical consolidated statement of financial position as at 30 June 2023, and pro-forma statement of financial position at 30 June 2023 based on the Subscription scenario set out in this Prospectus referred to as "the **Pro Forma Historical Statement of Financial Position**".

The pro-forma historical financial information has been derived from the historical financial information of the Group, after adjusting for the effects of pro-forma adjustments described in the financial information section of the Prospectus document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events and transactions to which the pro-forma adjustments relate, as described in the financial information section of the Prospectus document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical information does not represent the Group's actual or prospective financial position or financial performance.

The pro-forma historical financial information is inclusive of the financial impacts of subsequent events between the period of 1 July 2023 to the date of the Prospects. These subsequent events have also been reviewed by William Buck.

Directors' responsibility

The directors of the Group are responsible for the preparation of the historical financial information and pro-forma historical financial information, including the selection and determination of pro-forma adjustments made to the historical financial information and include in the pro-forma historical information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro-forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Accounting Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the financial information section of the Prospectus document, and comprising:

1. the Group's statutory historical financial information for the financial year ended 30 June 2023 (FY23) comprising the audited consolidated statement of financial position as at 30 June 2023.

...is not presented fairly, in all material aspects, in accordance with the stated basis of preparation, as described in the financial information section of the Prospectus document.

Pro-forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the **Pro Forma Historical Statement of Financial Position** being the Group's audited statutory historical consolidated statement of financial position as at 30 June 2023, and pro-forma statement of financial position at 30 June 2023 based on the Subscription scenario set out in this Prospectus is not presented fairly in all material aspects, in accordance with the stated basis of preparation as described in the financial information section of the Prospectus document.

Restriction on Use

Without modifying our conclusions, we draw attention to the financial information section of the Prospectus document which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

William Buck has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Liability

Responsibility

Consent to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it appears has been given but should not be taken as an endorsement of the Group or a recommendation by William Buck of any participation in the share issue by any intending investors. At the date of this report our consent has not been withdrawn.

General Advice Limitation

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Declaration of Interest

William Buck does not have any interest in the outcome of the issue of shares other than in the preparation of this Investigating Accountant's Report for which normal professional fees will be received. William Buck is the auditor of Wellnex Life Limited and from to time, William Buck also provides Wellnex Life Limited with certain other professional services for which normal professional fees are received.

Yours faithfully



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J.C. Luckins
Director

Dated in Melbourne, Australia this 13th day of November 2023

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

15.1 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 4, which is designed to mitigate potential control effects of any Shortfall Offer.

15.2 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 1) with Entitlement Options			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	%	Shares	Entitlement Options	As converted basis	Number	%	Number	%	Number	%
30,000,000	6.16	30,000,000	10,000,000	40,000,000	30,000,000	2.64	40,000,000	3.52	50,000,000	4.40
10,000,000	2.05	10,000,000	3,333,334	13,333,334	10,000,000	0.88	13,333,334	1.17	16,666,667	1.47
5,000,000	1.03	5,000,000	1,666,667	6,666,667	5,000,000	0.44	6,666,667	0.59	8,333,334	0.73

The table above assumes that:

- (d) the Company has 487,282,310 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) the recipients' Shareholdings after the Entitlement Offer are calculated on an "as converted basis", which assumes that all Entitlement Options issued under the Entitlement Offer have been exercised, and that all Shares underlying those Options have been issued.
- (g) no further Shares (other than under the Entitlement Offer) are issued. The table above does not include the Shares to be issued under the Consideration Offer, the Consultant Offer, the Advisor Offer or the Homart Offer and does not factor in the dilutionary impact of these offers.

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.

15.3 Control effect of the Consideration Offer, the Consultant Offer, the Advisor Offer and the Homart Offer

The Company will manage the Consideration Offer, the Consultant Offer, the Advisor Offer and the Homart Offer (**Other Offers**), such that none of the Applicants will obtain a relevant interest in Shares of 20% or more (including without limitation, the Homart Investor). No New Securities will be issued to any Shareholder or Applicant pursuant to the Other Offers 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 Other Offers on the control of Wellnex, by demonstrating the impact of the Other Offers on the Shareholdings of eligible Applicants under the Other 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 Other Offers are issued to the eligible Applicants of that Offer (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 relevant Offer); and
- (ii) do not acquire any Shares under the Entitlement Offer (including under the Shortfall Offer); and
- (d) the Recipients' Shareholdings after the Offers assumes that the Recipients take up their full Entitlement under the Entitlement Offer (if any), but do not take into account any convertible securities that the Recipients hold, or receive under the Offers, that could be exercised.

Recipient(s)	Shareholding as at Prospectus date		No. of Securities to be issued ²³		Shareholding after Offers ²⁴	
	Number	%	Shares	Options	Number	%
Pain Away Seller	20,000,000 ²⁵	4.10	20,000,000 ²⁶	0	60,000,000	5.83
Joint Lead Managers	0	0	0	50,000,000	0	0
Noteholder	233,334	0.05	0	20,000,000	233,334	0.02
Homart Investor	92,882,130 ²⁷	19.06	23,571,428	26,190,476	220,335,688 ²⁸	21.41 ²⁹

²³ These numbers include only the Securities to be issued under the Consultant Offer, Advisor Offer and Homart Offer, and do not include any Securities which may be issued to the Recipients under the Entitlement Offer.

²⁴ These numbers include the assumed Entitlement Shares taken up by the Recipients under the Entitlement Offer (assuming their full subscription) and also includes the 11 million Tranche 2 Balance Shares to be issued to the Homart Investor after the Record Date (subject to shareholder approval being obtained at the General Meeting). Refer to Section 8.1 for further details on the Tranche 2 Balance Shares.

²⁵ This comprises the 20 million Consideration Shares issued to the Pain Away Seller under the Consideration Offer.

²⁶ This comprises the 20 million Consultant Shares to be issued to the Pain Away Seller under the Consultant Offer.

²⁷ This number of Shares is based on the Form 604 lodged by JYSF Management Pty Ltd (ACN 166 314 352) (ATF JYSF Trust) (and on behalf of Jeffrey Yeh, Pei-Ling Yeh and Sze En Feng) with the ASX on 10 November 2023.

²⁸ This number also includes the 11 million Tranche 2 Balance Shares to be issued to the Homart Investor after the Record Date (subject to shareholder approval being obtained at the General Meeting). Refer to Section 8.1 for further details.

²⁹ Subject to the overriding takeovers threshold.

Part D - Risk Factors

16. 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.

17. Risks specific to the Offers

17.1 Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted.

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.

17.2 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.

17.3 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.

18. Risks specific to the Pain Away Transaction

18.1 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 Sale Agreement will be terminated if the Company is unable to successfully complete the Offers. Pursuant to the terms of the Sale Agreement, the Pain Away Seller Parties will be entitled to retain the advance payments which comprise a total of \$2.35 million and the Company will not be entitled to recover these funds, even in circumstances due to:

- (a) an insolvency event having occurred in relation to any of the Pain Away Seller Parties;
- (b) a material breach of the Sale Agreement by any of the Pain Away Seller Parties; or
- (c) a material adverse change having occurred in relation to the Pain Away business.

18.2 Pain Away savings and efficiencies

On completion of the Pain Away Transaction, the Company anticipates realising a number of savings and efficiencies from operating the acquired Pain Away assets using Wellnex's existing infrastructure, business processes and workforce. The Company assumes that, amongst other things:

- (a) in the medium term, all employee costs and a majority of all administrative and corporate expenses relating to the Pain Away assets being acquired 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 outsourced sales representatives) 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 new assets 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 assets with Wellnex's 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 products after completion of the Pain Away Transaction.

Anticipated savings and efficiencies 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 of these savings and efficiencies will be dependent on, among other things, the success of management in maintaining and growing the Pain Away product portfolio in an efficient, effective and timely manner without disruption to the Company's other businesses.

18.3 Failure to acquire

If for any reason the Pain Away Transaction does not proceed, including because of a breach of the 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.

19. Company and industry risks

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

19.1 Going concern

The Company's FY23 audited annual financial report, lodged with ASX on 2 November 2023 (**Financial Report**), was prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and liabilities in the ordinary course of business. However, it includes a note regarding the basis of preparation of the financial

statements on a going concern basis, the financial condition of the Company, and the existence of a material uncertainty about the Company's ability to continue as a going concern. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

The Financial Report discloses that the consolidated entity made a loss after tax of \$13,846,000 during the year ended 30 June 2023 (2022: loss of \$7,449,000) and the net cash used in operating activities was \$6,189,000 (2022: \$8,611,000 net outflow). The cash balance as at 30 June 2023 was \$322,000 (30 June 2022: \$3,181,000). The deficiency of current assets over current liabilities as at 30 June 2023 was \$2,919,000 (30 June 2022: there was a surplus of current liabilities over current assets of \$4,034,000). The net asset surplus as at 30 June 2023 was \$594,000 (30 June 2022: net asset deficiency of \$4,359,000).

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

Notwithstanding these results, the Directors believe that the Company will be able to continue as a going concern and as a result the financial statements have been prepared on a going concern basis. The accounts have been prepared on the basis that the consolidated entity will continue its business activities (and that, therefore, the Company is a going concern) for the following reasons:

- (a) the Company has refocused on its core business strategy of developing, marketing, and distributing health and wellness products, including the scaling and expansion of its product portfolio;
- (b) the Company acquired the Mr. Bright business, providing the consolidated entity with a wider and more diverse range of consumer health and wellness brands and products as well as supporting capabilities, including experienced management, R&D, sales and marketing and supply relationships;
- (c) the Company has signed an agreement for the acquisition of the assets of Pain Away, pursuant to the Pain Away Transaction. Once acquired, the Pain Away assets will provide the consolidated entity with a wider and more diverse range of consumer health and wellness brands and products. The Company is undertaking the Entitlement Offer to raise up to \$13.6 million via this Prospectus which, if raised, will be sufficient to satisfy the Completion Payment of \$12.8 million (plus \$1.15 million in direct purchase of inventory at the target value of \$1.15 million, which will be financed through a draw down of the Group's debt finance facility);
- (d) the Company is in the process of restructuring the terms of the Convertible Note, to extend the maturity date of the Convertible Note. The restructure will be subject to shareholder approval at the upcoming Annual General Meeting;
- (e) the Maturity Date of the Convertible Note will, subject to Shareholder Approval, and pursuant to the Convertible Note Deed Variation, be extended by 12 months from 21 June 2024 to 21 June 2025 (refer to Section 24.4 of this Prospectus for further information about the Convertible Note Deed Variation); and
- (f) the Company held a significant amount of inventory at the end of the financial year which will provide cashflow in future financial periods once sold to customers.

19.2 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.

19.3 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.

19.4 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.

19.5 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.

19.6 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.

19.7 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.

19.8 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.

19.9 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.

19.10 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.

19.11 Financial performance

Wellnex currently incurs losses from its operations and there is no assurance that Wellnex will achieve profitability. The proposed acquisition of certain assets of Pain Away 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.

19.12 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.

19.13 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.

19.14 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.

19.15 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.

19.16 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.

20. 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.

20.1 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.

20.2 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.

20.3 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.

20.4 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.

20.5 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.

20.6 Litigation and court proceedings

On 23 November 2022, 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. As at the date of this Prospectus, Little Innoscents Pty Ltd remains under external administration and/or controller appointed.

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.

20.7 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.

21. 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

22. 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.

23. Rights and liabilities attaching to New Options

The material terms and conditions of the New Options being offered under the Entitlement Offer, Shortfall Offer, Advisor Offer and Homart Offer are as follows:

23.1 Entitlement

Each New Option entitles the holder (**Option Holder**) to subscribe for and be issued one Share in the Company.

23.2 Expiry date

Subject to Section 23.3 and any restrictions imposed by ASX, each:

- (a) Attaching Option is exercisable at any time after the date on which the Attaching Option is issued, until 5.00pm (Melbourne time) on 30 June 2025; and
- (b) Advisor Option is exercisable at any time after the date on which the Advisor Option is issued, until 5.00pm (Melbourne time) on 1 January 2026,

(as context requires, **Expiry Date**). Any New Options not exercised by the Expiry Date will automatically lapse on the Expiry Date.

23.3 Notice of Exercise

The New Options may be exercised for part or all of the New Options issued by the Option Holder giving written notice in the form set out below (**Notice of Exercise**) to the Company at its registered office prior to the Expiry Date.

23.4 Exercise Price

The exercise price for each New Option (which is payable in cash or readily available funds immediately on exercise) is the price of \$0.05 per Share (**Exercise Price**).

23.5 Timing of issue of Shares on exercise

On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 5 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules:

- (a) allot to the Option Holder one Share in the Company for each New Option exercised by the Option Holder:
- (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
- (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the New Options that remain unexercised.

23.6 Shares issued on exercise

Shares allotted on the exercise of New Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of a New Option) and will be subject to the provisions of the Constitution of the Company.

23.7 Transferability

The New Options are transferable by an Option Holder on written notice to the Company, and where the Shares are quoted, in accordance with the Listing Rules, provided that the New Options cannot be transferred or assigned within 12 months after the date of issue except in accordance with the Corporations Act.

23.8 Reorganisation

If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any New Options, the number of New Options to which each Option Holder is entitled or the Exercise Price of his or her New Options or both must be reorganised in accordance with the Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the Official List).

23.9 New issues of capital

A New Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the New Options without exercising the New Options. However, the Company will use reasonable endeavours to procure that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 business days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the New Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.

23.10 Liquidation

In the event of the liquidation of the Company, all unexercised New Options will lapse upon the occurrence of that liquidation.

23.11 Dividends

The New Options do not provide any entitlement to dividends paid to ordinary shareholders.

23.12 Voting entitlement

The New Options do not entitle the Option Holder to vote at any meeting of shareholders.

23.13 Listing Rules

To the extent (if any) that any of these Option Terms are inconsistent with or contrary to the Listing Rules, the Listing Rules provisions will prevail and these Option Terms are deemed to incorporate the relevant Listing Rules provisions as an amendment to these terms.

23.14 Governing law

These Option Terms are governed by the laws of the State of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

Part F - Additional Information

24. Further information

24.1 Proposed Directors

As announced by Wellnex on 6 November 2023, Mr Andrew Vidler and Mr Jeffrey Yeh will be appointed as directors of the Company, with effect from Completion of the Pain Away Transaction.

Mr Andrew Vidler

Andrew Vidler has comprehensive experience across retail, consumer health products and retail pharmacy. Andrew in his over 30 years' experience includes nearly 20 years with the EBOS Group (formerly FH Faulding, Mayne Group and Symbion), where across many roles he led the Terry White and Chemmart pharmacy brands and the Endeavour consumer health products business.

For the last 4 years Andrew worked for API Limited (now Wesfarmers Health) where he was responsible for the Priceline retail and Priceline pharmacy business.

Andrew has an excellent track record of building strong team cultures while ensuring they stay focused on the marketplace and building customers with an active preference for the products, brands and retailers he oversees.

Mr Jeffrey Yeh

As announced in the 25 May announcement, and further detailed in the Company's prospectus dated 13 June 2023, Homart has the right to appoint a nominee director to the Board upon the issue of the tranche 2 Shares under the Initial Placement. Homart has confirmed that it has nominated Mr Jeffrey Yeh as its nominee. Pursuant to the terms of the Initial Placement.

Jeffrey Yeh is an experienced all-rounded entrepreneur and manager, with over 21 years' experience in all aspects of pharmaceutical sales, marketing, production, Quality Assurance, operations, logistics, finance and management.

Jeffrey co-founded Homart Pharmaceuticals in 2002, and since then has grown a premier and award winning manufacturing and brand business with over 200 employees and an international presence.

24.2 Commercial discussions

As part of Wellnex's stated growth strategy for FY24, the Company is seeking to (amongst other things):

- (a) expand its product and secure new international distribution territories; and
- (b) launch new medicinal cannabis products for the Special Access Scheme Category B (**SAS-B**) market within and outside of Australia, including New Zealand.

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

- (c) expand its product portfolio into additional international territories under new IP licensing arrangements and under the existing IP licensing and contracting arrangements³⁰; and
- (d) launch the Wellness Life branded medicinal cannabis products in markets outside of Australia, under a licensing distribution in the New Zealand market.

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.

24.3 Sale Agreement for Pain Away Transaction

As announced in the 25 May announcement, Wellnex has entered into a transaction to acquire certain assets of Pain Away, an Australian pain relief brand.

As announced to ASX on 5 October 2023, Wellnex confirmed that revised terms for the Pain Away Transaction had been agreed between the parties and formally documented in a replacement Sale Agreement dated 5 October 2023. The Sale Agreement supersedes and replaces the Original Sale Agreement in relation to the Pain Away Transaction, which was entered into on 19 May 2023. The Original Sale Agreement has consequently been terminated with effect from 5 October 2023, and each party to that agreement has discharged each other party from their obligations under that agreement. For the purposes of this Section 21.2, the "Sale Agreement" is referred to as the "**Replacement Sale Agreement**".

A summary of the material terms of the Replacement Sale Agreement, along with the material differences between the Original Sale Agreement are set out below.

- (a) **(Parties)** The Company has incorporated a wholly owned subsidiary, BSPSPA Pty Ltd (ACN 670 837 028) (**BSPSPA**), for the purposes of acquiring the "Pain Away" assets under the Pain Away Transaction from the Pain Away Seller Parties, with the exception of inventory, which will be acquired by Wellnex's other wholly owned subsidiary, BSPS Aust Pty Ltd (ACN 649 257 063).

BSPSPA is the "Buyer" under the Replacement Sale Agreement, whereas the Company was the "Buyer" under the Original Sale Agreement.

- (b) **(Assets to be acquired)** The assets being acquired under the Pain Away Transaction will comprise assets owned and used by the Pain Away Seller Parties 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 assets in relation to the "Athelite Business", and the name "Fire Fists", which will continue to be owned by the Pain Away Seller Parties, subject to the restraints outlined below.
- (c) **(Conditions Precedent)** Completion of the Pain Away Transaction under the Original Sale Agreement was subject to two conditions precedent, being the novation of a manufacturing agreement and the Company obtaining all approvals (if any) required under

³⁰ The Company's wholly owned subsidiary 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.

the Listing Rules (together, the **Conditions**). Completion under the Replacement Sale Agreement is not subject to any conditions precedent.

- (d) (**Consideration**) Under the Original Sale Agreement, the purchase price payable under the Proposed Transaction was \$22 million in cash, comprising a deposit of \$2.2 million (which was paid upon the execution of the Original Sale Agreement), with the balance of the purchase price (\$19.8 million) payable at Completion. The purchase price was subject to customary adjustments.

Under the Replacement Sale Agreement, the purchase price comprises of both cash (with no changes to the cash amount of the purchase price as compared to the Original Sale Agreement) and security components, specifically:

- (i) a non-refundable advance payment of \$2.2 million, which was paid upon the execution of the Replacement Sale Agreement by way of the deposit under the Original Sale Agreement;
 - (ii) a second non-refundable advance payment of \$150,000, which was paid on 3 November 2023 pursuant to the terms of the Replacement Sale Agreement;
 - (iii) a completion payment of \$13.95 million (plus or minus, as applicable, the net adjustment amount, which comprises an inventory adjustment amount and a prepayments and accruals adjustment amount), payable on completion (**Completion Payment**); the Completion Payment includes \$1.15 million in direct purchase of inventory at the target value of \$1.15 million;
 - (iv) balance of cash consideration (\$5.70 million) to be deferred, and paid in two instalments, \$2.925 million payable in November 2024 and \$2.775 million payable in April 2025, respectively (**Deferred Consideration**), with the possibility to pay the Deferred Consideration earlier. Default interest will be payable if the Company fails to meet the relevant payment deadlines; and
 - (v) as consideration for agreeing to the deferred payment schedule, the 20 million Consideration Shares, to be held in escrow for the Escrow Period (i.e., until 31 May 2024). Pursuant to the terms of the Replacement Sale Agreement, the Company issued the Consideration Shares to the Pain Away Seller on 3 November 2023, using the Company's available placement capacity under Listing Rule 7.1. The Consideration Shares are the subject of the Consideration Offer; refer to Section 5 for further details.
- (e) (**Oversight Fee**) Under the Replacement Sale Agreement, the Company must pay the Pain Away Seller an oversight fee of \$40,000 plus GST per month, commencing on 1 November 2023 and ending on the date the Deferred Consideration is fully paid.
- (f) (**Security**) The Company has agreed to guarantee the obligations of its BSPSPA under the Replacement Sale Agreement, and associated transaction documents. To secure BSPSPA and the Company's obligations under the Replacement Sale Agreement (and associated transaction documents):
- (i) BSPSPA has granted the Pain Away Seller Parties an all-present and after acquired property security interest pursuant to a general security deed in favour of the Pain Away Seller Parties; and

- (ii) the Company has granted the Pain Away Seller Parties a security interest over its shares in BSPSPA pursuant to a specific security deed.
- (g) **(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.
- (h) **(Completion)** Completion must occur no later than 8 December 2023, unless otherwise agreed by the parties **(Sunset Date)**.
- (i) **(Warranties)** The Replacement Sale Agreement contains warranties and indemnities from the Pain Away Seller Parties 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.
- (j) **(Termination)** Either the Pain Away Seller Parties on one hand, or the Company on the other hand, has the right to terminate the Replacement Sale Agreement prior to Completion if:
 - (i) an insolvency event occurs in respect of the other party; or
 - (ii) the other party commits a material breach of the Sale Agreement, and fails to remedy such breach within 10 business days after receiving notice of the breach.

Under the Replacement Sale Agreement, and in contrast to the Original Sale Agreement, the Company does not have the right to terminate the Sale Agreement prior to Completion if a material adverse change occurs in relation to the Pain Away business.

- (k) **(Restraint)** The Pain Away Seller Parties and their associates have each agreed not to compete with the Pain Away brand 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”, including with respect to any expansion of the range of “Athelite” products beyond the existing product range, or selling any products that display the name “Fire Fists”.

24.4 Convertible Note

On or about 10 May 2022, the Company entered into a convertible note deed with the Noteholder, which was later varied on or about 9 June 2023 **(Original Convertible Note Deed)**.

As announced on 2 June 2022 and 22 June 2022, the Convertible Note was issued to the Noteholder on 17 June 2022, in accordance with the terms of the Original Convertible Note Deed, using the Company’s Listing Rule 7.1 capacity (ASX: WNXAI) **(Convertible Note)**. Under the Original Convertible Note Deed, the Convertible Note was convertible into, and assuming full conversion of the principal amount of \$6.2 million at the conversion price of \$0.21, a total of 44,285,715 securities³¹, comprising:

³¹ This number does not include any securities which the Company will be required to issue to the Noteholder in respect of accrued interest, which is convertible at the same \$0.21 conversion price.

- (a) up to 29,523,810 conversion shares; and
- (b) up to 14,761,905 conversion options.

As announced to ASX on 5 October 2023 the Company and the Noteholder have been in negotiations to vary the terms of the Original Convertible Note Deed, subject to completion of the Pain Away Transaction (**Convertible Note Deed Variation**). On 10 November 2023, the Company and the Noteholder executed a formal document containing the Convertible Note Deed Variation.

Under the Convertible Note Deed Variation the Noteholder may elect, subject to Shareholder and other required approvals being obtained, to convert all or part of the amounts owing under the Convertible Note:

- (c) into conversion Shares, at a conversion price of \$0.08 (**Conversion Share**); and
- (d) for every 2 conversion Shares issued, the Noteholder (and/or its nominee(s)) will also receive 1 free unlisted attaching Option (with an exercise price of \$0.08, and an expiry date 24 months from the date of issue) (**Conversion Option**).

Under the Convertible Note Deed Variation, the Convertible Note will be convertible into, and assuming full conversion of the principal amount of \$6.2 million at the conversion price of \$0.08, a total of up to 116,250,000 securities³², comprising:

- (e) up to 77,500,000 Conversion Shares; and
- (f) up to 38,750,000 Conversion Options.

The Company has also agreed, in connection with the Convertible Note Deed Variation, to issue 20 million Advisor Options (with an exercise price of \$0.05, expiring 1 January 2026) to the Noteholder.

Summary of Convertible Note terms

A summary of the material terms of the Convertible Note Deed Variation, along with the material differences between the Original Convertible Note Deed are set out below.

- (a) (**Face value**) the principal amount of the Convertible Note is \$6.2 million³³;
- (b) (**Maturity Date**) the maturity date of the Convertible Note will be extended by 12 months from 21 June 2024 to 21 June 2025, unless further extended by mutual agreement;
- (c) (**Coupon rate**) The interest rate is 9% per annum for the period until 5 October 2023, and increasing to 13% per annum from 6 October 2023 until the Maturity Date, which is to be paid every 90 days in arrears. Under the Original Convertible Note Deed, the interest rate was 9% per annum;
- (d) (**Conversion price**) The conversion price is \$0.08 per Share, previously \$0.21 per Share;
- (e) (**Bonus option**) The Noteholder has the right to receive one option for every two Shares issued, at an exercise price of \$0.08 (previously \$0.21) and an expiry date 24 months from issue;

³² This number does not include any securities which the Company will be required issue to the Noteholder in respect of accrued interest, which is convertible on the same \$0.08 conversion price.

³³ As at the date of this Prospectus, the Company has drawn down \$6.15 million (before costs).

- (f) **(Advisor options)** The Company must issue 20 million Advisor Options (with an exercise price of \$0.05, expiring 1 January 2026) to the Noteholder; and
- (g) **(Security)** The Convertible Note is secured against the Company's assets.

24.5 Joint Lead Manager Mandate Agreement

The Company, Ord Minnett and Barclay Pearce Capital are parties to a mandate agreement dated 11 November 2023 (**JLM Mandate**), under which the Company has appointed Ord Minnett and Barclay Pearce Capital as Joint Lead Managers of the Entitlement Offer and the Shortfall Offer (**Relevant Offers**).

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

- (a) **(Lead manager services)** Ord Minnett and Barclay Pearce Capital's services in connection with the Relevant Offers include: advising on timing, structure and pricing; managing any roadshows or marketing; managing the bookbuild; in conjunction with the Company's legal counsel, drafting offer documents, any other documentation, and assisting the Company with its due diligence processes relating to the Relevant Offers; in conjunction with the Company's share registry provider, settlement of the Relevant Offers; ensuring that Securities under the Shortfall Offer will only be offered to sophisticated and institutional investors; in conjunction with the Company's legal advisers, assisting in meeting any conditions precedent to completion of the Relevant Offers; involvement in such other matters related to the Relevant Offers as shall be agreed from time to time.
- (b) **(Term)** The JLM Mandate is effective upon the Joint Lead Managers' receipt of the signed JLM Mandate from the Company and is effective until terminated by either the Company or one of the Joint Lead Managers.
- (c) **(Fees)** The Company will pay:
 - (i) a capital raising fee equal to 6% of the proceeds of the Relevant Offers (exclusive of GST), which may be deducted from the proceeds of the Relevant Offers; and
 - (ii) 50 million Advisor Options,**(Capital Raising Fee)** to the Joint Lead Managers. The Advisor Options are subject to shareholder approval under Listing Rule 7.1. The Capital Raising Fee is then to be split equally (50:50) between Ord Minnett and Barclay Pearce Capital.
- (d) **(Termination)** The JLM Mandate may be terminated by a party at any time with or without cause, provided 14 Business Days' notice has been given at any time prior to execution of the formal documentation relating to the Relevant Offers. The Company may terminate the JLM Mandate at any time where a Joint Lead Manager has materially breached the terms of the JLM Mandate or applicable laws, or engaged in an act of fraud, wilful misconduct or gross negligence (**Material Breach**). Where the Company terminates the JLM Mandate for any reason other than a Material Breach, the Joint Lead Managers will be entitled to the Capital Raising Fee where the Company completes a capital raising which is of similar structure and terms and conditions to the Relevant Offers, provided that capital raising is completed within 12 months from the date of termination.
- (e) **(Representations and warranties)** The JLM Mandate sets out customary 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 the Relevant Offers, litigation and insurance.

- (f) **(Indemnity)** 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, except where otherwise provided by law or where that loss is as a result of that party's negligence, breach of contract, wilful misconduct or fraud.

25. 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 27 below).

26. 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.

27. 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 2023 (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 2 November 2023; and
- (b) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from 2 November 2023 (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
10/11/2023	Change in substantial holding
06/11/2023	Board Changes
03/11/2023	Application for quotation of securities - WNX
03/11/2023	Update on Pain Away Acquisition
03/11/2023	Appendix 3Y - ZB
02/11/2023	Notification of cessation of securities – WNX
02/11/2023	Appendix 4G and Corporate Governance Statement
02/11/2023	Annual Report to shareholders

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 36.

28. 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.

29. 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 of trading preceding 22 May 2023, being the date that the Company went into voluntary suspension, 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

30. 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.

31. 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.

32. Interests of Directors

32.1 Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director or proposed 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 or proposed 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.

32.2 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 ³⁴
Mr George Karafotias	1,552,346	0.32%	-	5,000,000
Mr Zack Bozinovski	15,000,000	3.08%	1 ³⁵	5,000,000
Mr Kobe Li	875,000	0.18%	-	2,500,000
Mr Eric Jiang	1,949,037	0.40%	-	2,500,000

³⁴ Refer to Section 12.1(b) for further details in respect of the terms of the Directors' Performance Rights.

³⁵ 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.

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

Proposed Director	Shares	% of total Share capital	Options	Performance Rights ³⁶
Mr Jeffrey Yeh	92,882,130 ³⁷	19.06%	27,500,000 ³⁸	-
Mr Andrew Vidler	-	-	-	-

32.3 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 2023 and 30 June 2022 is as follows:

Table of benefits and payments for the financial year ended 30 June 2023

	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 ³⁹	92,333	-	-	-	20,035	112,368
Kobe Li ⁴⁰	103,500	-	-	-	20,035	123,535
<i>Executive Directors:</i>						
Zack Bozinovski	303,500	23,346	31,868	5,482	40,069	404,265
George Karafotias	320,000	16,063	33,600	8,913	40,069	418,645
Total	819,333	39,409	65,468	14,395	120,208	1,058,813

³⁶ Refer to Section 12.1(b) for further details in respect of the terms of the Directors' Performance Rights.

³⁷ This number of Shares is based on the Form 604 lodged by JYSF Management Pty Ltd (ACN 166 314 352) (ATF JYSF Trust) (and on behalf of Jeffrey Yeh, Pei-Ling Yeh and Sze En Feng) with the ASX on 10 November 2023. This number does not include the Homart Shares to be issued under the Homart Offer to the Homart Investor, an entity controlled by Mr Yeh, nor does it include the 11 million Shares to be issued to the Homart Investor in connection with the Initial Placement. The issue of the Homart Shares and the 11 million Tranche 2 Balance Shares is subject to shareholder approval at the General Meeting. Refer to Section 8.

³⁸ This number does not include the Homart Options to be issued under the Homart Offer to the Homart Investor, an entity controlled by Mr Yeh. The issue of the Homart Options is subject to shareholder approval at the General Meeting. Refer to Section 8.

³⁹ Amounts paid includes director fees for previous financial years amounting to \$32,333.

⁴⁰ Mr Li's remuneration comprised director fees of \$40,000, fees of \$50,000 for company secretarial services, and fees of \$13,500 for additional secretarial and consulting services outside the scope of normal director and agreed company secretarial work.

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 ⁴¹	85,000	-	-	-	-	85,000
Kobe Li ⁴²	185,250	-	-	-	-	185,250
<i>Executive Directors:</i>						
Zack Bozinovski	303,500	14,008	29,013	4,861	-	351,382
George Karafotias ⁴³	346,667	19,726	25,532	8,602	-	400,527
Total	920,417	33,734	54,545	13,463	-	1,022,159

33. 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.

34. Substantial Shareholders

Based on substantial holder notices lodged with the Company, and/or 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	92,882,130	19.06%
Ian Ollifent & GGP Investments Pty Ltd	38,863,363	7.97%
Lazarus Karasavvidis & Martin Glenister	25,332,198	5.20%

⁴¹ Amounts paid includes director fees for FY21 amounting to \$33,000.

⁴² 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.

⁴³ This amount includes salary and wages for June 2021 which was paid in July 2021 and not accrued during FY21.

35. 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 \$653,007.50 (excluding GST and disbursements) have been paid or are payable to Holding Redlich for the provision of legal services to the Company.
- (c) Ord Minnett (or its related entities) will be paid fees of up to \$400,000 in relation to its services as Joint Lead Manager to the Entitlement Offer⁴⁴. During the 24 months preceding lodgement of this Prospectus with ASIC, no fees have been paid or are payable to Ord Minnett (or its related entities).
- (d) Barclay Pearce Capital (or its related entities) will be paid fees of up to \$400,000 in relation to its services as Joint Lead Manager to the Entitlement Offer⁴⁵. During the 24 months preceding lodgement of this Prospectus with ASIC, fees totalling \$40,000 (excluding GST) have been paid or are payable to Barclay Pearce Capital (or its related entities), for the provision of due diligence and corporate advisory services to the Company.
- (e) William Buck (or its related entities) will be paid fees of up to \$25,000 in relation to its services as Investigating Accountant. During the 24 months preceding lodgement of this Prospectus with ASIC, fees totalling \$251,247 (excluding GST) have been paid or are payable to William Buck (or its related entities), for the provision of auditing, assurance and taxation services to the Company.

⁴⁴ Assumes that the Entitlement Offer and Shortfall Offer are fully subscribed. Refer to the terms of the JLM Mandate as further detailed in Section 24.5.

⁴⁵ Assumes that the Entitlement Offer and Shortfall Offer are fully subscribed. Refer to the terms of the JLM Mandate as further detailed in Section 24.5.

36. 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
Ord Minnett	Joint Lead Manager for Entitlement Offer
Barclay Pearce Capital	Joint Lead Manager for Entitlement
William Buck	Investigating Accountant
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.

None of the parties referred to in this Section 36 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.

37. 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.

Expenditure item	\$'000
Maximum capital raising fees for Joint Lead Managers ⁴⁶	816
Legal fees in relation to Pain Away Transaction, Prospectus, and the Offers	400 ⁴⁷
Investigating Accountant's fees	25
ASX quotation fees, ASIC lodgement fees	32
Share Registry fees, printing, mailing, and other miscellaneous expenses related to the Offers	50
Total	1,323⁴⁸

38. 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.

39. Enquiries

For enquires regarding this Prospectus or the Offers, please contact Reach Markets on +61 (3) 8080 5975 or at investors@reachmarkets.com.au at any time between 8.30am and 5.00pm (AEDT) at any time between 8:30am and 5.00pm (AEDT) Monday to Friday until the Entitlement Offer Closing Date.

For general Shareholder enquiries, please contact the Company Secretary on:
kobe.l@wellnexlife.com.au

⁴⁶ This is the maximum amount of fees payable to the Joint Lead Managers, and assumes that the Entitlement Offer and Shortfall Offer are fully subscribed. Refer to the terms of the JLM Mandate as further detailed in Section 24.5.

⁴⁷ This includes approximately \$220,000 in legal fees paid or payable in respect of the period ended 30 June 2023, which has been recognised in the Statutory Historical Financial Information.

⁴⁸ This includes approximately \$220,000 in legal fees paid or payable in respect of the period ended 30 June 2023, which has been recognised in the Statutory Historical Financial Information.

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

25 May announcement has the meaning given to that term in Section 2.3.

Additional Shares has the meaning given to that term by Section 3.6.

Advisor Offer means the offer of Advisor Options to the Joint Lead Managers and the Noteholder under this Prospectus.

Advisor Options means the Options, each exercisable at \$0.05 and expiring on 1 January 2026 to be issued to the Joint Lead Managers and the Noteholder under the Advisor Offer.

AEDT means Australian Eastern Daylight 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:

- (a) Entitlement and Acceptance Form accompanying this Prospectus and available online at www.computersharecas.com.au/wellnex in respect of the Entitlement Offer; or
- (b) Application Form in respect of the Shortfall Offer Consideration Offer, Consultant Offer, Advisor Offer and Homart Offer (as applicable).

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).

Barclay Pearce Capital means Barclay Pearce Capital Investment Pty Ltd (ACN 667 428 480).

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

BSPSPA means the Company's wholly owned subsidiary, BSPSPA Pty Ltd (ACN 670 837 028).

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

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).

Completion Payment has the meaning given to that term in Section 24.3(d)(iii).

Consideration Offer means the offer of Consideration Shares to the Pain Away Seller under this Prospectus.

Consideration Shares means the 20 million Shares issued to the Pain Away Seller, as part consideration for the Pain Away Transaction.

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

Consultant Offer means the offer of Consultant Shares to the Pain Away Seller under this Prospectus.

Consultant Shares means the 20 million Shares to be issued to the Pain Away Seller, as consideration for the Transitional Services.

Conversion Option has the meaning given to it in Section 24.4.

Conversion Share has the meaning given to it in Section 24.4.

Convertible Note has the meaning given to it in Section 24.4.

Convertible Note Deed Variation has the meaning given to it in Section 24.4.

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

Deferred Consideration has the meaning given to that term in 24.3(d)(iv).

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 1 Share held on the Record Date, together with 1 free Entitlement Option to acquire a Share (exercisable at \$0.05 and expiring 30 June 2025) for every 3 Entitlement Shares issued.

Entitlement Offer means the non-renounceable pro-rata entitlement offer under this Prospectus of up to approximately 487,282,310 Entitlement Shares (at an issue price of \$0.028 per Entitlement Share) and approximately 162,427,437 Entitlement Options (exercisable at \$0.05 and expiring 30 June 2025) (subject to fractional rounding).

Entitlement Offer Closing Date means the closing date of the Entitlement Offer, being 5.00pm (AEDT) on Tuesday, 28 November 2023 (unless extended).

Entitlement Options means the Options, each exercisable at \$0.05 and expiring on 30 June 2025, to be issued as free attaching Options to subscribers of Entitlement Shares under the Entitlement Offer, on the basis of 1 free Entitlement Option for every 3 Entitlement Shares Subscribed.

Entitlement Shares means the Shares offered under the Entitlement Offer, at an issue price of \$0.028 per Entitlement Share.

Escrow Period has the meaning given to that term in Section 5.2.

Exercise Price has the meaning given to that term in Section 23.4.

Expiry Date has the meaning given to that term in Section 23.2.

General Meeting means the Company's annual general meeting scheduled to be held in or around December 2023.

Group means the Company and each of its Related Bodies Corporate.

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

Homart Investor means Homart Group Pty Ltd (ACN 124 319 286) and its nominee, JYSF Management Pty Ltd (ACN 166 314 352) ATF JYSF Trust.

Homart Offer means the offer of Homart Shares and Homart Options to the Homart Investor under this Prospectus.

Homart Options means the 26,190,476 Options, each exercisable at \$0.05 and expiring on 30 June 2025, to be issued as free attaching Options to the Homart Investor under the Homart Offer, on the basis of 1 Homart Option for every 3 Initial Placement Shares issued.

Homart Shares means the 23,571,428 Shares offered under the Homart Offer under the Initial Placement.

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 has the meaning given to that term in Section 8.1.

Initial Placement Options has the meaning given to that term in Section 8.1.

Initial Placement Shares means the Tranche 1 Shares, the 34,000,000 issued Tranche 2 Shares, the Tranche 2 Balance Shares and the Homart Shares.

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.

JLM Mandate has the meaning given to that term in Section 24.5.

Joint Lead Managers means Ord Minnett and Barclay Pearce Capital, and **Joint Lead Manager** means any one of them (as the context requires).

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.

Maturity Date has the meaning given to that term in Section 24.4.

New Options means the Entitlement Options, the Shortfall Options and the Advisor Options (as the context requires).

New Securities means the New Shares and New Options.

New Shares means the Shares offered under this Prospectus, being the Entitlement Shares, the Consideration Shares and the Consultant Shares (as the context requires).

Noteholder means Wholesale Holdings Pty Ltd (ACN 644 053 798) ATF Wholesale Holdings WNX 2022 Trust, the holder of the Convertible Note.

Notice of Exercise has the meaning given to that term in Section 23.3.

Offers means the Entitlement Offer, the Shortfall Offer, the Consideration Offer, the Consultant Offer, the Advisor Offer and the Homart 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.

Option means an option to acquire a Share in the capital of the Company.

Option Holder has the meaning given to that term in Section 23.1.

Option Terms means the terms in Section 23.

Ord Minnett means Ord Minnett Limited (ABN 86 002 733 048).

Original Convertible Note Deed has the meaning given to that term in Section 24.4.

Original Sale Agreement means the original sale agreement between Wellnex and the Pain Away Seller Parties for the purchase of certain assets of Pain Away dated 19 May 2023.

Pain Away means "Pain Away", an Australian pain relief brand.

Pain Away Seller means 365 Health Australia Pty Limited (ACN 151 146 977).

Pain Away Seller Parties means the Pain Away Seller, 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 certain assets of Pain Away by Wellnex and its wholly owned subsidiary, BSPSPA, from the Pain Away Seller Parties under the Sale Agreement.

Prospectus means this prospectus dated 13 November 2023.

Proposed Placement means the proposed placement facility that the Company is seeking shareholder approval for at its General Meeting.

Purchase Price has the meaning given to that term in Section 24.3(d).

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

Record Date means 7.00pm (AEDT) on Thursday, 16 November 2023.

Related Body Corporate has the meaning given to it in section 50 of the Corporations Act.

Relevant Offers has the meaning given to that term in Section 24.4.

Rights Entitlement has the meaning given to that term in Section 23.9.

Sale Agreement or **Replacement Sale Agreement** means the replacement sale agreement between Wellnex and the Pain Away Seller Parties for the purchase of certain assets of Pain Away dated 5 October 2023 (as the context requires).

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 3.6.

Shortfall Offer has the meaning given to that term in Section 4.

Subscription Agreement has the meaning given to that term in Section 8.1.

Sunset Date has the meaning to that term in Section 24.3(h).

Takeover Threshold has the meaning given to that term in Section 8.1.

Tranche 1 Shares has the meaning given to that term in Section 8.1.

Tranche 2 Balance Shares has the meaning given to that term in Section 8.1.

Tranche 2 Shares has the meaning given to that term in Section 8.1.

Transitional Services has the meaning given to that term in Section 6.1.

William Buck means William Buck Audit (Vic) Pty Ltd (ABN 59 116 151 136).