



Supplementary Prospectus

Wellnex Life Limited ACN 150 759 363 (the Company)

1. Important information

This supplementary prospectus (**Supplementary Prospectus**) is dated 4 July 2023 and is supplementary to the prospectus dated 13 June 2023 (**Prospectus**) issued by Wellnex Life Limited ACN 150 759 363 (the **Company**).

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 4 July 2023. ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus.

All references to 'the Prospectus' in this Supplementary Prospectus are references to the Prospectus.

To the extent of a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

2. Reasons for Supplementary Prospectus

2.1 Purpose of this document

This Supplementary Prospectus has been prepared to:

- (a) clarify that certain financial forecasts provided by the Company in previous ASX disclosures, have been retracted by the Company;
- (b) clarify the Company's accounting treatment of its proposed acquisition of Pain Away assets (**Transaction**);
- (c) amend certain sections of the Prospectus (including the timetable for the Offers); and
- (d) offer withdrawal rights to applicants under the Prospectus.

3. Clarification regarding prior ASX announcements

On 4 July 2023, the Company lodged an announcement with ASX (**Clarification Announcement**) to provide clarification in relation to the following announcements made by the Company:

- Announcement titled “Trading Update” lodged on 12 April 2023;
- Quarterly Report for March 2023 Quarter lodged on 28 April 2023;
- Investor Presentation lodged on 25 May 2023; and
- Announcement titled “Wellnex Entered into Binding Agreement to Acquire Pain Away” lodged on 25 May 2023 (**25 May Announcement**).

(together, the **Announcements**).

In the Clarification Announcement, the Company noted that it had come to its attention that:

- (a) the Announcements contained information or statements which may constitute prospective financial information for the purposes of *ASIC Regulatory Guide 170 Prospective Financial Information* (**Prospective Financial Information**), which sets out guidance on ASIC’s approach to the use of Prospective Financial Information in a prospectus (**RG 170**);
- (b) the Announcements contained information or statements which may imply that the Company’s proposed acquisition of Pain Away assets under the Transaction is an acquisition of a ‘business’ in accordance with AASB 3 *Business Combinations* (**AASB 3**); and
- (c) to assist investors in assessing the information provided in Annexure B of the 25 May Announcement, clarification may be required as to the reasons for the Company’s inclusion, and basis of preparation, of Annexure B.

The Company clarified, in the Clarification Announcement, that:

- (d) the statements in the Announcements that may constitute Prospective Financial Information, were not prepared for the purposes of RG 170, and as stated in the Prospectus, the Company does not consider there to be a reasonable basis for inclusion of Prospective Financial Information in the Prospectus;
- (e) it considers the Transaction to be an acquisition of assets (which falls outside the scope of AASB 3, rather than an acquisition of a ‘business’ within the meaning of AASB 3, and the provision of any historical financial information relating to Pain Away in the Announcements ought not to be taken as indicative of the Company’s contrary view; and
- (f) in considering Annexure B of the 25 May Announcement, investors should take into account the following:
 - (i) Annexure B was provided only for the purposes of complying with section 2.9 of ASX Guidance Note 12, which requires the Company to disclose the likely effect of the Transaction on the Company’s consolidated total assets, total equity interests, annual revenue, annual expenditure, EBITDA and annual profit before tax; and
 - (ii) Annexure B contains information that was derived from Pain Away’s unaudited profit & loss statement as at 30 June 2022, and adjusted as necessary to carve out elements that do not form part of the Transaction, to reflect only the assets being

acquired (rather than the Pain Away business as a whole), for the purposes of providing an indication of the likely effect of the Transaction on the Company.

In the context of these clarifications, the Company retracted the Announcements, and issued revised versions of the Announcements (**Revised Announcements**). The Revised Announcements are each annexed to the Clarification Announcement, and can be downloaded from the Company's website (<https://wellnexlife.com.au/investors/>), or from the Company's announcements page on the ASX website at www.asx.com.au under its trading code "WNX".

The Company notes that information in the Revised Announcements may be relevant to parties making an investment under the Prospectus. Investors should not rely on the Announcements (which have been retracted) when deciding whether to invest in the offers made under the Prospectus.

On the basis that there may be a risk that applicants may have considered the Announcements in making a decision to invest in the Company, the Directors offer applicants the opportunity to withdraw their application in accordance with the provisions of the Corporations Act.

4. Amendments to Prospectus

4.1 Pro Forma Historical Statement of Financial Position

The following sub-paragraph (g) is added under the heading '**Pro forma adjustments**' in section 11.3 of the Prospectus (which sets out the Pro Forma Historical Statement of Financial Position):

- (g) *pursuant to the Pain Away Transaction, intangible assets will be recognised at \$20.85m (being the \$22m Purchase Price less the target inventory value of \$1.15m). For the purposes of intangible asset recognition in the Pro Forma Historical Statement of Financial Position, and consistent with Note 14 to the Company's audited financial statements for the year ended 30 June 2022, the intangible assets (\$20.85m) is expected to be fully recognised in the 'brands' category.*

4.2 Risks

In the context of the clarifications provided by the Company in section 3 of this Supplementary Prospectus, the Prospectus is amended by this Supplementary Prospectus by deleting section 15.2 (*Risks Factors: Pain Away Business synergies*), and replacing it with:

15.2 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) *all employee costs and a majority of all administrative and corporate expenses of the Pain Away Business will be absorbed by Wellnex's current employees, resources, business infrastructure and existing arrangements;*
- (b) *there will be reductions in marketing spend as a result of scale efficiencies;*
- (c) *all third party sales costs (including 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.

4.3 Revised Timetable

The closing date of the Entitlement Offer has been extended. Accordingly, the Prospectus is amended by this Supplementary Prospectus by deleting the Indicative Timetable on page 2 of the Prospectus, and replacing it with the following indicative timetable:

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

Announcement of Entitlement Offer results	Tuesday, 25 July
Issue of Entitlement Offer Shares, and lodgement of Appendix 2A	Tuesday, 25 July
Second Placement Offer Closing Date	5.00pm (AEST) Tuesday, 25 July
Issue of Tranche 2 Shares under Initial Placement, Second Placement Shares and Shortfall Shares under Entitlement Offer (if any), and lodgement of Appendix 2A	Tuesday, 25 July
Completion of Pain Away Transaction	By 31 July

The above dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close an Offer early, extend an Offer, or accept late applications, either generally or in particular cases. Any extension of a closing date will have a consequential effect on the anticipated date for issue of new securities under the relevant Offer(s). 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.

5. Right to withdraw applications

In accordance with section 724(2) of the Corporations Act, the Company must give applicants who have previously submitted an Application Form under the Prospectus (**Existing Applicants**) a copy of this Supplementary Prospectus, and 1 month to withdraw their Application and be repaid.

Any repayments made by the Company pursuant to an Existing Applicant exercising their right to withdraw their Application will be made in full without interest.

An Existing Applicant who wishes to withdraw their Application and obtain a refund must call the Company's share registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +61 (3) 9415 4000 (outside Australia), within 1 month of the date of this Supplementary Prospectus (i.e. **by no later than close of business on 4 August 2023**).

6. Applications

6.1 Investors who have NOT previously submitted an Application Form

Applications for Shares under the Entitlement Offer must be made using the application form attached to or accompanying this Supplementary Prospectus (**Supplementary Application Form**). Applications must NOT be made on the application form attached to or accompanying the Prospectus. The Supplementary Application Form contains detailed instructions on how it is to be completed.

6.2 Existing Applicants who HAVE previously submitted an Application Form AND DO NOT want to withdraw their Application

If you are an Existing Applicant and you do not wish to withdraw your Application, you do not need to take any action.

If, after the date of this Supplementary Prospectus, you wish to apply for any Additional Shares under the Shortfall Facility, you will need to submit a Supplementary Application Form in relation to those Additional Shares.

6.3 Existing Applicants who HAVE previously submitted an Application Form AND DO want to withdraw their Application

An Existing Applicant who wishes to withdraw their Application and obtain a refund should follow the instructions set out in section 5 of this Supplementary Prospectus.

7. Consents

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

8. Directors' authorisation

This Supplementary 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 Supplementary Prospectus with ASIC.

Signed for and on behalf of **Wellnex Life Limited**:



George Karafotias
Chief Executive Officer