

Wellnex Life Limited (ASX/AIM: WNX) ("Wellnex Life" or the "Company") is pleased to provide the following operational and business update along with its Appendix 4C for the quarter ended 30 September 2025 (unaudited). Executive Chairman, Ash Vesali, has separately today provided an update to shareholders on progress and plans.

Highlights

- Cash receipts of \$4.5 million for the quarter ended 30 September 2025 (Q1 FY26) compared to \$6.5 million for the previous quarter (Q4 FY25)
- Sales for Q1 FY26 were \$5.4 million, a decrease of 18.2% compared to the previous quarter (Q4 FY25: \$6.6 million)
- Additional debt funding facilities of up to \$5.35 million secured, with \$4.1 million drawn down at the end of Q1 FY26
- Wellnex continued its internal review to identify core operational efficiencies and cost-saving opportunities, and has initiated a process to exit medicinal cannabis segment

Sales for Q1 FY26 were \$5.4 million, down 18.2% from the previous quarter, primarily due to delayed IP licensing revenue, which declined 82.3%, now expected to be invoiced and received in the coming months. Brand sales grew 4.1% over the same period. Gross profit was 35.2% (\$1.8 million), compared to 37.9% (\$2.5 million) in the prior quarter.

Revenue overview:

	Q1 FY26	Q4 FY25	% Change
Brands	\$5.1 million	\$4.9 million	4.1%
IP Licensing	\$0.3 million	\$1.7 million	(82.3%)
Total	\$5.4 million	\$6.6 million	(18.2%)
Gross Profit	\$1.8 million	\$2.5 million	(28.0%)

The Company reported cash receipts of \$4.5 million for Q1 FY26 and a net operating cash flow loss from operations of \$2.9 million. The operating loss reflects increased product manufacturing costs, including a one-off raw material purchase for Pain Away with the intention of increasing margins over the longer term, repayment of long-term liabilities and lower quarterly cash receipts.

During the quarter, the Company recorded advertising and marketing cost of \$0.8 million, compared to \$0.6 million for the prior quarter. Staff costs decreased to \$0.9 million, down from \$1.0 million in the prior quarter.

Increase in administrative and corporate costs for the period was a direct result of the establishment of the new loan facility with Reach Wholesale ("Reach").

Proceeds from borrowings of \$7.0 million relate to the new loan facility with Reach and funding provided by Scottish Pacific Business Finance Pty Ltd ("ScotPac"), with repayments of \$3.5 million related to the ScotPac facility including the reduction in the trade facility from \$2.5 million to \$1 million.

Payments made to related parties as outlined under section 6.1 of the Appendix 4C relate to:

- the customary director fees and salaries (\$370k);
- Repayment of costs for raw material and packaging and interest to Homart, an entity associated with Jeffrey Yeh, a director of the Company (\$1.28m); and
- Rent and logistics costs to entities associated with Zack Bozinovski, a director of the Company (\$126k).



During the quarter, Wellnex continued its internal review to identify core brand assets, operational efficiencies, and cost-saving opportunities aimed at maximising revenue, margins and operational profitability. The review will continue through FY26, with initial benefits expected to materialise throughout FY26. Further details are set out in the separate Chairman's letter.

As part of the Company's ongoing internal business review, the Board has resolved to cease all operations under the Wellness Life brand in the medicinal cannabis market. While the Australian medicinal cannabis sector continues to present opportunities, it also demands substantial ongoing investment and has become increasingly competitive.

The Company has initiated the process to fully exit all activities associated with the medicinal cannabis segment, including the closure of related joint ventures. In FY25, the medicinal cannabis operations contributed less than 1% of the group total revenue and are not expected to have any material impact going forward.

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

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The information contained within this announcement is deemed by the Company to constitute inside information pursuant to article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

WELLNEX LIFE LIMITED

ABN

77 150 759 363

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,536	4,536
1.2 Payments for		
(a) research and development	(117)	(117)
(b) product manufacturing and operating costs	(4,586)	(4,586)
(c) advertising and marketing	(809)	(809)
(d) leased assets		
(e) staff costs	(881)	(881)
(f) administration and corporate costs	(889)	(889)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(86)	(86)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST refund/(paid))	(147)	(147)
1.9 Net cash from / (used in) operating activities	(2,979)	(2,979)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses		
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Loan repayment from other entity	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired from CBDG Administration)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(819)	(819)
3.5	Proceeds from borrowings	6,942	6,942
3.6	Repayment of borrowings	(3,467)	(3,467)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Share applications to be refunded	-	-
3.9	Other (repayment of lease liabilities)	-	-
3.10	Net cash from / (used in) financing activities	2,656	2,656

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	497	497
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,979)	(2,979)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,656	2,656
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	174	174

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	174	497
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (funds held in trust)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	174	497

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,776
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	8,215	(5,790)
7.2	Credit standby arrangements	-	-
7.3	Other (Director's loan)	2,513	(2,525)
7.4	Total financing facilities	10,728	(8,315)
7.5	Unused financing facilities available at quarter end		2,413
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. 1. Secured Revolving Trade and Debtor Facility with Scottish Pacific of \$3.8 million Interest Rate: BBSY plus 6.8%. 2. Secured loan facility with Reach Wholesale of up to \$5.35 million at 14% per annum expiring August 2027. The amount shown in Section 7 is for the amount drawn down (\$4.1 million) at the close of the period plus further \$315,000 that is available to the company if requested. Any further drawdowns of up to \$875,000 is at the absolute discretion of lender with no guarantees of future drawdowns.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,979)
8.2	Cash and cash equivalents at quarter end (item 4.6)	174
8.3	Unused finance facilities available at quarter end (item 7.5)	2,413
8.4	Total available funding (item 8.2 + item 8.3)	2,587
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.9
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions: 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? No. In the prior quarter there was large one off large purchase of inventory of \$1.2 million, repayment of long term liabilities of c.\$1.5 million to strengthen the balance sheet and the company has commenced a cost cutting programme that will result in a reduction of OPEX in this quarter. In addition, there was a short delay in IP licensing orders which further impacted margins.	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Out of prudence, the company continually assesses different options in the event the company requires a capital injection and Wellnex has been provided with [non-binding] a letter of support from a third party that they will provide funding if required.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes. The company has invested in inventory that is expected to generate significant sales for the company with also a large pipeline in this quarter of IP licensing purchase orders that will significantly increase the cashflow of the business. The company also has the support of third parties if so required to raise additional capital.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

20 October 2025

Date:

The Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.