

Independent auditor's report to the members of Wellnex Life Limited

Report on the audit of the financial report



Opinion

In our opinion, the accompanying financial report of Wellnex Life Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2026,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of \$4.54 million and net operating cash outflows of \$2.56 million during the year ended 30 June 2026. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Pain Away assets – impairment and classification as held for sale	Area of focus (refer also to notes 2, 3, 8, 9 & 20)	How our audit addressed the key audit matter
	During the year, the Group commenced a process to divest the Pain Away brand asset and associated inventory. On 30 June 2026, the Group received a non-binding offer for the disposal of these assets, with a binding agreement subsequently executed after year end. The Group assessed the brand asset for impairment prior to its classification as held for sale and recognised an impairment charge of \$0.83 million during the year. The Pain Away brand asset and associated inventory, were subsequently classified as assets held for sale in accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>. This was a key audit matter due to the materiality of the assets and the judgement involved in assessing whether the criteria for classification as held for sale were satisfied at 30 June 2026, and in determining the recoverable amount of the Pain Away brand asset, including the estimated costs of disposal.	Our audit procedures included: — Reading the non-binding offer received on 30 June 2026 and the binding agreement executed subsequent to year end to corroborate the status, terms and consideration associated with the divestment; — Assessing whether the criteria for classification as held for sale under AASB 5 were satisfied at 30 June 2026; — Evaluating management's impairment assessment of the Pain Away brand asset prior to its classification as held for sale, including assessing the reasonableness of the fair value and estimated costs of disposal by reference to the terms of the transaction and supporting documentation; — Agreeing the carrying value and composition of the assets classified as held for sale to underlying accounting records and supporting documentation; and — Assessing the presentation and adequacy of the related disclosures in the financial report against the requirements of the applicable accounting standards.

Revenue recognition (cut-off)

Area of focus (refer also to notes 2 & 5)

The Group recognises revenue from the sale of goods. In accordance with AASB 15 *Revenue from Contracts with Customers*, revenue is recognised when the Group's performance obligations are satisfied through the transfer of control of goods to the customer.

Revenue recognition in respect of cut-off was considered a key audit matter due to the significance of revenue to the Group's financial report and the heightened risk that transactions occurring near year-end could be recorded prematurely, before the satisfaction of related performance obligations.

How our audit addressed the key audit matter

Our audit procedures included:

- Obtaining an understanding of the Group's revenue stream and evaluating the appropriateness of the Group's principles to ensure that revenue is recognised in accordance with the criteria outlined in AASB 15;
- Understanding management's process for monitoring the recognition and deferral of revenue;
- For revenue transactions occurring immediately before and after year-end within a defined risk window, testing a sample of sales ledger entries by tracing them to supporting evidence such as cash receipts and delivery documentation, to confirm that revenue was recognised in the correct accounting period.
- Testing on a sample basis, post-year-end sales returns and credit notes within a defined risk window, to determine whether revenue recognised before year-end required adjustment;
- Evaluating the appropriateness of the Group's accounting policies and disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report



Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Wellnex Life Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

N. S. Benbow
Director
Melbourne, 31 August 2026