



## Target Market Determination – Option Issue

**Made by:** Wellnex Life Limited ACN 150 759 363 (**Issuer**)

**Product:** Options to acquire fully paid ordinary shares in the Issuer, to be issued under a transaction specific prospectus dated 13 November 2023 (**Prospectus**)

**Effective date:** 13 November 2023

### 1. Background

This target market determination (**TMD**) has been prepared by the Issuer in relation to an offer to issue the Options, made by the Issuer under the Prospectus pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Act**), and has been designed to help investors understand the class of consumers for whom the offer of Options is most suitable.

This TMD sets out the class of consumers whose financial objectives would likely be consistent with the distribution conditions and restrictions imposed on the distribution of the Options, as well as reporting requirements for distributors in accordance with the requirements of section 994B of the Act.

A copy of the Prospectus is available on the Issuer's website, [www.wellnexlife.com.au/investors/](http://www.wellnexlife.com.au/investors/). The Offer will be made under, or accompanied by, a copy of the Prospectus.

Any recipient of this TMD should carefully read and consider the Prospectus in full, and consult their stockbroker, accountant, solicitor and/or other professional adviser if they have any questions regarding the contents of the Prospectus.

This TMD is not a disclosure document for the purposes of the Act, and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**) nor does it contain a full summary of the terms and conditions of the Options.

Any recipient of this TMD who wants to acquire Options under the Offer will need to complete the entitlement and acceptance form or shortfall application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the Options.

This TMD is not to be used except for the purpose of a regulated person complying with their obligations under Part 7.8A of the Act. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

This TMD is not intended to provide you with financial advice, or take into account your objectives, financial situations or needs. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Issuer is not licensed to provide financial product advice in relation to the Options.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

#### Wellnex Life Limited

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## 2. Product Information

The key features of the Options are as follows:

<b>Offer details</b>	For every three (3) fully paid ordinary shares in the Issuer ( <b>Share</b> ) subscribed for under a pro-rata non-renounceable entitlement offer of Shares offered by the Issuer ( <b>Entitlement Offer</b> ) or Shortfall Offer, each participant will receive 1 attaching option (exercisable at \$0.05 and expiring 30 June 2025) ( <b>Option</b> ).
<b>Eligibility</b>	<p>The Options will be issued to the subscribers of Entitlement Shares under the Entitlement Offer, on the basis of 1 Option for every 3 Shares issued under the Entitlement Offer. Therefore, the eligible participants are existing shareholders of the Issuer who:</p> <ul style="list-style-type: none"> <li>▪ participate in the Entitlement Offer;</li> <li>▪ are a registered holder of Shares as at 7.00pm (AEDT) on 16 November 2023 (being the Record Date for the Entitlement Offer); and</li> <li>▪ have a registered address in Australia or New Zealand.</li> </ul> <p>Eligible shareholders who subscribe for Additional Shares under the Shortfall Facility (which forms part of the Entitlement Offer) will also be issued with 1 Option for every 3 Additional Shares subscribed.</p> <p>Investors who subscribe for Shares under the Shortfall Offer will also be eligible to be issued 1 Option for every 3 Shares subscribed under the Shortfall Offer.</p>
<b>Terms of Options</b>	<p>The Options are options to acquire Shares in the Issuer, exercisable at \$0.05 per Option (<b>Exercise Price</b>), on or before the expiry date of 5.00pm (AEDT) on 30 June 2025 (<b>Expiry Date</b>).</p> <p>The Options are exercisable at any time during the period from their date of issue, up until the Expiry Date (<b>Exercise Period</b>). An Option not exercised before 5.00pm (AEDT) on the Expiry Date will automatically lapse at that time.</p> <p>The Options will not be quoted on the Australian Securities Exchange (<b>ASX</b>).</p> <p>Each Option will, upon exercise, entitle its holder to subscribe for, and be issued with, one Share, which will rank equally in all respects with all other Shares then on issue.</p>

## 3. Target Market

The table below summarises the overall class of consumers that fall within the target market for Options, based on the product's key attributes and the objectives, financial situation and needs that it has been designed to meet.

<b>Investment objective</b>	As the Options may be exercised at any time prior to the Expiry Date, the Issuer expects that an investment in the Options will be suitable for investors who wish to have the right, but not the obligation, in the short to medium term (approximately 18 months), to gain exposure to equities in small-cap health and wellness companies listed on the ASX.
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<b>Investment timeframe</b>	<p>The target market of investors will take a short to medium term outlook in relation to their investment in the Issuer.</p> <p>Option holders will have an ability to exercise the Options and trade the underlying Shares issued on exercise. However, investors should be aware that such dealing is only likely to be commercially viable in the event that the trading price of the Shares exceeds the exercise price of the Options both at the date of exercise and at the date of sale of the underlying Shares.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise the Options up until the Expiry Date of 30 June 2025, and increase their shareholding and exposure to the potential upside in Shares in the future (although no upside can be guaranteed).</p> <p>Given the requirement to pay the Exercise Price in order to acquire the underlying Shares, investors in the target market are those who are in a financial position that is sufficient for them to invest their funds over the Exercise Period (which will be approximately 18 months), should they wish to exercise their Options. Prior to the Expiry Date, their ability to liquidate their Options is likely to be limited as the Options will not be quoted or tradeable on the ASX.</p> <p>Any decision to exercise the Options is likely to be based on the trading price of the Shares.</p>
<b>Investor suitability metrics</b>	<p>While the Issuer does not have an established eligibility framework for investors based on metrics such as employment status, income levels, age or an expected return or volatility, it is expected that the target market of investors will be those investors that wish to obtain optionality for exposure to the Issuer's ongoing operations, and that will be able to withstand potential fluctuations in the value of their investment.</p> <p>The Exercise Price is required to be paid to acquire Shares on exercise of Options. As such, the capacity to realise the underlying value of the Options would require that they be exercised on or before the Expiry Date.</p> <p>Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the Options prior to the Expiry Date.</p> <p>Prior to the Expiry Date, investors' ability to liquidate the Options is likely to be limited as the Options will not be quoted or tradeable on the ASX. The Options offer no guaranteed income or capital protection.</p>
<b>Risk</b>	<p>The Issuer considers that an investment in the Options will have a different risk profile to a direct investment in Shares, including due to the fact that there is no obligation to exercise the Options prior to the Expiry Date.</p> <p>Investors should consider the risk that there is no guarantee that the Issuer's Share price will exceed the Exercise Price of the Options. Investors should take this into consideration when subscribing under the Entitlement Offer or Shortfall Offer for Shares (to which the Options attach on a 1-for-3 basis).</p> <p>An investment in the Issuer should be considered speculative, and the Options are considered not appropriate for an investor who would not be able to bear a loss of some or all of their investment in Shares and Options.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and</p>

	<p>appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Issuer.</p> <p>Specific risks relating to the Issuer and an investment in the Shares are set out in the Prospectus and investors should review those risks carefully before deciding whether to invest.</p>
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The Options are **not** suitable for investors:

- (a) who are not seeking to have the potential to increase their investment in the Issuer; and
- (b) who do not understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Issuer.

The Issuer has assessed the Options and formed the view that the Options, including the key attributes set out in Section 2, are likely to be consistent with the objectives, financial situation and needs of investors in the target market as described above in this Section 3.

#### 4. Distribution Conditions

The offer of Options pursuant to the Entitlement Offer under the Prospectus is being made to those shareholders who are eligible to participate in the Entitlement Offer. The offer of Options pursuant to the Shortfall Offer under the Prospectus will be made to investors introduced to the Company by the Joint Lead Managers of the Entitlement Offer. The Prospectus will include jurisdictional conditions on eligibility. The Options will be subject to the distribution condition that retail investors will be provided with a copy of the Prospectus and access to this TMD before they apply for the Options. The Issuer will include on its website a copy of this TMD.

The Issuer considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where they are Eligible Shareholders under the Entitlement Offer and personal advice is not being provided to those persons by the Issuer, the Joint Lead Managers or Co-Managers of this Offer.

#### 5. Review Triggers

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which, the Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the Offer of the Options and the issue of the Options shortly after the closing dates of the Entitlement Offer and Shortfall Offer (**Offer Period**), after which the TMD will be withdrawn.

To allow the Issuer to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Offer and should be reviewed, the following review triggers apply for the Offer:

- (a) there is a material change to the Options' key attributes that make them no longer consistent with the likely objectives, financial situation and needs of clients in the target market;
- (b) the Issuer lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (c) the occurrence of a significant dealing in Options that is not consistent with this TMD;
- (d) the Issuer identifies a substantial divergence in how the Options are being distributed and purchased from this TMD;

- (e) an unexpectedly high number of complaints are received that indicate the Options are not suitable for the target market or that the product is not being distributed to the target market;
- (f) ASIC raises concerns with the Issuer regarding the adequacy of the design or distribution of the Options or this TMD; and
- (g) there are material changes to the regulatory environment that apply to an investment in the Options.

The Issuer may also update or amend this TMD at any time.

## 6. Review Period

If a review trigger occurs during the Offer Period, the Issuer will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within ten (10) business days of the review trigger occurring.

The Issuer will otherwise conduct a review of the TMD prior to the issue of Options under the Offer.

Periodic reviews of the TMD will not occur during the Offer Period, noting that the Offer Period is (subject to any decision to extend) less than one (1) month. If the Offer Period is extended for more than three (3) months, the TMD will be reviewed on a monthly basis.

## 7. Information reporting

In the event that an external distributor is appointed to undertake retail product distribution of the Options, the following reporting requirements will apply:

Reporting requirement	Period for reporting to the Issuer by the distributor	Information to be provided
Whether the distributor received complaints about the Options.	<ul style="list-style-type: none"> <li>▪ For such time as the Offer Period remains open, within 10 business days after the end of each calendar week during the Offer Period.</li> <li>▪ Within 10 business days after the end of the Offer Period.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The number of complaints received.</li> <li>▪ A summary of the nature of each complaint or a copy of each complaint.</li> </ul>
A significant dealing of the Options that is not consistent with this TMD.	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	<ul style="list-style-type: none"> <li>▪ Details of the significant dealing.</li> <li>▪ Reasons why the distributor considers that the significant dealing is not consistent with this TMD.</li> </ul>
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Within 10 business days after the end of the close of the Offer in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

**8. Authorisation**

This TMD has been authorised for release by the Board of Directors of Wellnex Life Limited.