

## DECEMBER 2020 QUARTERLY REPORT

Wellfully Limited (ASX: WFL) (Wellfully or the Company) is pleased to provide an overview of its activities for the December 2020 quarter.

### OPERATIONS

Following on from its launch in the previous quarter, Wellfully completed the scheduled release of 20 products in 20 weeks for the RÉDUIT brand. Since June 2020, the brand has launched six new applicator devices and a total of 24 premium cosmetic products across the haircare and skincare categories, with 12 Hairpods™ and 12 Skinpods™.

During the period, Wellfully was also granted a US Patent for the technology titled *Methods for In Situ Separation of Mixtures*, which enables the separation of emulsion components at the point of delivery, solving a key limitation of emulsion products across a multitude of health, beauty, wellness and industrial coating applications.

In December, the Company completed negotiations with Procter & Gamble (P&G) to allow Wellfully to use its Magnetic Microarray and Powered Array technologies in its own product developments on a royalty free basis, allowing the Company to use previously licensed technologies in Wellfully developed products in all application areas. The agreement also provides Wellfully with the ability to make strong skin penetration claims in its skincare and haircare products that were previously exclusive claims to P&G.

Also in December, Wellfully announced its collaboration with NSW-based Dolce Cann Global to develop cannabinoid products using its patented drug delivery system. Dolce has developed specific proprietary strains of cannabis which have recently seen positive in vitro testing using human derived cell lines to analyse the bio-efficacy on key Dolce cannabis strains.

As a leading developer of enhanced drug delivery systems for use in health, wellness and beauty, Wellfully is partnering with Dolce to research the applications and use of Wellfully's technology to deliver cannabinoid therapy transdermally.

The collaboration will focus on development of cannabinoid applications containing the novel Dolce cannabinoid strains to treat inflammatory disorders, arthritis, rosacea, muscle recovery and damage, as well as cosmeceutical and skin care products.

### SCIENCE AND INNOVATION ACTIVITIES

During the period, the Company's Perth Science & Innovation Laboratory focused on a number of expansion programs involving new applications for its Magneto-Misting and Magneto-wetting technologies.

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#### Directors

Mr Antonio Varano  
Mr Steven Schapera  
Mr Jeffrey Edwards  
Mr Cameron Reynolds

#### CEO

Mr Paul Peros

#### Company Secretary

Mr John Palermo

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Considerable progress was achieved in the development of auto-activated dose triggering for Nebulizer applications of the RÉDUIT Magnetic Misting technology. This remains an unmet medical need in buccal and pulmonary treatments as young children and elderly users often have difficulty in synchronising the administration of a therapeutic dose with the exact timings of their inhalations. For optimum therapeutic benefit, the application of medicine needs to be timed precisely with the maximum flow rate of an inhalation. Failure to do this accurately can result in medication being taken up by tissues of the mouth and throat rather than more deeply in the lungs.

The team made significant progress in developing an electronic breath rate flow detection system that can be readily added to the RÉDUIT circuits for automated triggering of the Magneto-misted medication at the point of maximum inhalation velocity.

Work also continues on the Company's Surface Hygiene systems in anticipation of the arrival of the RÉDUIT Uni devices that will provide a low cost, pocket / purse sized portable personal hygiene platform. This highly portable personal hygiene system will use RÉDUIT Pods, containing the World Health Organization's (WHO) recommended surface hygiene formulations as well as an Electrolyzed Acid Water system for very low environmental impact.

## INVESTOR WEBINAR AND CONFERENCE PRESENTATION

In October, the Company hosted an Investor Webinar and Q&A Presentation. A replay of the presentation is available [here](#).

CEO Paul Peros also presented at the NWR Virtual Investor Conference in November, a replay of this event is available [here](#).

## PAYMENTS TO RELATED PARTIES OF THE ENTITY

The Company notes that the cash payments made to related parties and their associates outlined in Section 6.1 of the Appendix 4C represents payments for an executive director's fee and a non-executive director's fee.

## ABOUT WELLFULLY

Wellfully is a fully integrated, science-based wellness company. In addition to its own-brand, RÉDUIT, the Company also offers a portfolio of proprietary technologies and supports partners by providing IP-protected market exclusivity, expertise in magnetic array design, feasibility and efficacy, and claims testing, engineering and production.

Wellfully's established operations via its wholly-owned business units are:

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- The Innovation & R&D unit provides technology to the other business units of the Company, as well as licensing and development services to international partners.
- The Design & Technology and Supply-chain hub in Dongguan, China has the ability to rapidly develop and industrialize the Company's technologies and innovations in an agile, efficient, secure and cost-effective manner.
- The Digital Communications and Marketing & Sales units are focused on supporting Wellfully's own consumer brands.
- BodyGuard is the Company's therapeutic unit and develops advanced "direct to site of injury" patch products for the wellness and pain management sectors. This technology also has applications across supplement, healthcare, and musculoskeletal sectors.

## ABOUT WELLFULLY'S TECHNOLOGIES

Wellfully has developed a number of physical enhancement technologies based on the interactions between ingredient molecules and weak atomic forces, positioning the Company as a world leader in the science of magnetic fields as they relate to drug or active-ingredient delivery.

The first of Wellfully's magnetic technologies was the Magnetic Microarray. Complex 3-D magnetic fields, produced by low-cost microarray film, influence the movement and penetration through the skin of drugs, active ingredients and formulations at the molecular level. This was licensed and commercialized in 2014.

The second magnetic technology, the Programmable Array technology, employs powered electromagnetic fields that can be altered to suit individual consumer's skincare needs. This was licensed for skincare applications in 2020.

The third magnetic technology uses magnetic fields to alter the wettability of a surface, substantially enhancing contact between liquid and solids. Magneto-Wetting underpins the Company's current developments in haircare, skincare and surface hygiene, in conjunction with Wellfully's recently developed Ultrasonic Misting technology. International patents have been filed.

## FORWARD-LOOKING STATEMENTS

This announcement contains certain "forward-looking statements" concerning Wellfully. Where Wellfully expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

Forward-looking statements provided in this announcement are based on assumptions and contingencies which are subject to change without notice. Such forward-looking statements including statements regarding intentions, planned events and potential results are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements, and there are risks associated with Wellfully and the industry which may affect the accuracy of the forward-looking statements. Wellfully does not undertake any obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this announcement or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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This release has been issued with the authorisation of the Board.

- Ends -

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