

BUSINESS & OPERATIONAL UPDATE

Wellfully Limited (ASX: WFL) (Wellfully or the Company) is pleased to provide shareholders and interested parties with an update on operational progress within the business as it enters trading halt to undergo a capital raising.

1. Swiss Laboratories and Plant

Purpose: Competence center for pod topicals, RÉDUIT and Swisswell (Bodyguard); development and manufacturing activities; “Swiss Made” claim substantiation.

Status: Secured location and space (Bioggio, Switzerland); incorporated local entity (Swisswell Sagl); defined, sourced and shipped all bulk production, filling and related water preparation and clean room equipment to the site.

Next: Laboratory and factory set-up; and go-live commissioning.

2. New RÉDUIT UNI Product Line

Purpose: Competitive applicator device to further aid system adoption; more competitive price point (approx US \$100); wider application spectrum (hair and skin) and advanced ergonomics (bi-directional pod insertion, 2-speed operation).

Status: Development, tooling and industrialisation completed (T0, T1 and T2); first shipping of product planned for end of February 2021.

Next: Go-to-market activities; preparation of communication assets (product, model and lifestyle shots, explainer video/animation); launch communication campaigns (PR, advertising).

3. SWISSWELL Lubricen

Purpose: Launch of the Bodyguard kneepatch under Wellfully’s Swisswell brand platform; first of advanced delivery health and wellness products from Wellfully to reach the market.

Status: Industrial tests for the patched performed; initial product assets (design, graphics) and infrastructure (website, order system) completed; market compliance approval initiated.

Next: Completion of brand assets; initial production (samples, first commercial products); launch campaign execution.

4. RÉDUIT Commercial Development

Purpose: Increase the footprint of the brand and gain commercial scale sales.

Status: Launch with The Hut Group, Douglas (Poland).

Next: Launch with Cult Beauty in Feb-Mar 2021, ongoing discussions with Sephora (China and US) and ULTA (US).

5. DOLCE CANN Cannabinoids

Purpose: Secure high-performance anti-inflammatory actives for both beauty and health products.

Status: Initiated R&D activities (testing of samples).

Directors

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Next: Completion of R&D activities, definition of initial product development portfolio (skincare and health products) and initiation of execution.

6. In-situ Separation of Mixtures

Purpose: Development of first-of-a-kind high-performance skincare emulsions.

Status: Patent granted, initial product concepts developed.

Next: Product development and industrialisation.

7. Hygiene Product Range

Purpose: Unique at-home disinfecting product that does not rely on aggressive chemical ingredients, but in-situ electrolysis in order to generate disinfectant from water, salt and brine at the point of use. This is delivered with Wellfully's enhanced delivery technologies for better application effectiveness.

Status: Basic product architecture defined, specific models developed and tested for operating logic.

Next: Industrialisation, tooling, first production, go-to-market planning and execution.

8. Wellfully Ambassador Program

Purpose: Development of own B2B2C and B2C2C network including digital and communication infrastructure in order to improve access to consumers in COVID-19 impacted markets.

Status: Initial support systems and go-live completed between Dec 2020 and Jan 2021 across selected markets (UK and Switzerland).

Next: Program fine-tuning, additional systems development and wider roll-out of the program.

Wellfully's board and management looks forward to keeping shareholders updated as these projects and products continue to gain traction.

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:

- 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.

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- 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.

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

- Ends -

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