

WELLFULLY PLACEMENT, LOYALTY OFFER AND UNMARKETABLE PARCEL SALE FACILITY

Wellfully Limited (ASX: WFL) (**Wellfully** or the **Company**) is pleased to announce an oversubscribed placement via the commitments received of up to \$4.75 million before costs from s708 clients of CPS Capital, along with a proposed pro-rata non-renounceable entitlement offer of loyalty options (**Capital Raising**), and an unmarketable parcel sale facility.

The proceeds from the planned Capital Raising are intended to be used for technology licensing, business development, BodyGuard go-to-market activities, device division development and go-to-market activities, as well as providing for general working capital.

Placement

A placement is proposed to sophisticated and professional investors utilising the Company's placement capacities under ASX Listing Rule 7.1 to raise up to \$2.5 million to \$4.75 million before costs (**Placement**). The Placement will comprise of a maximum issue of up to 63,333,334 shares at \$0.075 per share. The maximum the Company may place using its current capacities under ASX Listing Rule 7.1 is 21,973,070 shares. Proposed subscriptions in excess of the Company's current placement capacity will be put to shareholders for approval pursuant to ASX Listing Rule 7.1 at a proposed general meeting (see the indicative timetable below).

In addition, the Company will seek shareholder approval under ASX Listing Rule 7.1 for the issue of 1 free-attaching option for every 2 Placement shares subscribed for, exercisable at \$0.15 on or before 31 March 2023 (**Free-attaching Options**). The Free-attaching Options are intended to be quoted on ASX and offered pursuant to a prospectus to be issued by the Company.

A notice of meeting will be provided to shareholders in due course to convene a shareholder meeting. In addition to approval pursuant to ASX Listing Rule 7.1, the Company will also seek shareholder approval pursuant to ASX Listing Rule 10.11 to allow WFL Directors to participate in the Placement as follows: Mr Jeffrey Edwards to subscribe for up to 500,000 shares, Mr Cameron Reynolds to subscribe for up to 500,000 shares, Mr Steven Schapera to subscribe for up to 500,000 shares and Mr Antonio Varano to subscribe for up to 500,000 shares.

WFL Chairman Tony Varano said: "This capital raising will provide WFL with an excellent renewed foundation to pursue its objectives."

CPS Capital Group Pty Ltd has agreed to act as Lead Manager to the Capital Raising.

The Lead Manager will be paid a capital raising fee of 6% (excluding GST) on all funds raised pursuant to the Capital Raising. In addition, in connection with the Capital Raising the Lead Manager is entitled to (i) be issued 10 million options at \$0.001 per option (exercisable at \$0.15 on or before 31 March 2023 and otherwise on the same terms as the Free-attaching Options) (or to its nominee), (ii) be issued 2 options at \$0.001 per option (exercisable at \$0.15 on or before 31 March 2023 and otherwise on the same terms as the Free-attaching Options) for every \$1 raised under the Placement (or to its nominee), (iii) a fee of 6% (excluding GST) on all funds underwritten (if any) for the issue of loyalty options at \$0.001 under the Loyalty Offer (see below), and (iv) be paid a monthly corporate advisory fee of \$6,000 (excluding GST) for 12 months.

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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All options to be issued to the Lead Manager are intended to be put to shareholders for approval pursuant to ASX Listing Rule 7.1 and offered pursuant to a prospectus to be issued by the Company.

Loyalty Offer

A non-renounceable pro-rata entitlement offer to existing shareholders with a registered address in Australia or New Zealand is intended to provide existing shareholders with loyalty options exercisable at \$0.15 on or before 31 March 2023 (**Loyalty Offer**). Under this offer, shareholders will be offered (2) new options for every three (3) shares held at the record date, at an issue price of \$0.001 per option. Therefore, the Company intends to issue approximately 112,306,802 options as part of the Loyalty Offer. The Loyalty Offer is expected to be underwritten by the Lead Manager, up to a value of \$112,307 (assuming no offerees take up their entitlements). The terms of the underwriting are not yet known and are still to be finalised. Confirmation of the terms of any underwriting will be the subject of an update to the market to be lodged in due course.

Unmarketable parcel sale facility

The Company intends to establish an opt-out unmarketable parcel sale facility (**Facility**) for shareholders who hold less than \$500 worth of fully paid ordinary WFL shares (**Unmarketable Parcel**). Indicative timing for the Facility is included in the timetable below. Further details of this Facility will be announced in due course.

Indicative timetable

A summary of key dates in relation to the Capital Raising and the Facility are as follows:

Notice of General Meeting for Capital Raising given to Shareholders	18 February 2021
Lodgement of Prospectus with ASIC	2 March 2021
Lodgement of Prospectus with ASX	3 March 2021
"Ex" Date for Loyalty Offer	5 March 2021
Record Date for Loyalty Offer and Facility	8 March 2021
Prospectus and Entitlement and Acceptance Form, and Letters to holders of Unmarketable Parcels, dispatched to Eligible Shareholders	11 March 2021
Loyalty Offer Opens	11 March 2021
Last day to extend the Closing Date of Loyalty Offer	17 March 2021
General Meeting for Capital Raising	22 March 2021
Loyalty Offer Closes	22 March 2021
Loyalty Offer options quoted on a deferred settlement basis	23 March 2021
Notification of shortfall and shortfall options allotted	24 March 2021

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Announcement of results of issue	24 March 2021
Issue of Loyalty Offer Shares and lodgement of Appendix 2A with ASX applying for quotation of the securities	25 March 2021
Anticipated date for issues of options	25 March 2021
Closing Date for receipt of Share Retention Form	19 April 2021
Estimated Unmarketable Parcels payment date	As soon as practicable after 19 April 2021

The proposed timetable is subject to the ASX Listing Rules and the above dates may be changed without notice.

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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.
- 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 Mist technology. International patents have been filed.

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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.

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