

CLEANSING PROSPECTUS

Wellfully Limited (ASX: **WFL**) (**Wellfully** or the **Company**) advises that further to the announcements made to the ASX last week, the Company attaches a Cleansing Prospectus for the purposes of section 708A(11) of the Corporations Act 2001 (Cth).

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 Misting technology. International patents have been filed.

Directors

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

CEO

Mr Paul Peros

Company Secretary

Mr John Palermo

Registered Office

284 Oxford Street
Leederville
Western Australia
6007

Contact

Tel: +61 8 9443 3011
www.wellfully.net
www.obj.com.au
ABN: 72 056 482 636

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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.

- Ends -

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Directors

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Mr Jeffrey Edwards
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WELLFULLY

ACN 056 482 636

Prospectus

For the offer of five (5) Shares at an issue price of \$0.065 (6.5 cents) per New Share (Offer). This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act 2001 (Cth) to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the New Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the New Shares.

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Important Notice

This Prospectus is dated, and was lodged with ASIC on 19 April 2021. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm AWST on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1.4.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offer.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Exposure Period

No exposure period applies to the Offer.

Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Company's website at <https://wellfully.net/>. Persons having received a copy of this Prospectus in its electronic form may

obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's Australian registered office during the Offer period by contacting the Company. Contact details for the Company and details of the Company's Australian registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

Foreign Investors

No action has been taken to register or qualify the Shares the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to

ASX and does not include all information that would be included in a prospectus for an initial public offering.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 7.

Corporate Directory

Directors

Mr Antonio Varano Della Vergiliana,
Non-Executive Chairman

Mr Jeffrey Edwards, Managing
Director

Mr Cameron Reynolds, Non-Executive
Director

Mr Steven Schapera, Non-Executive
Director

Mr Anthony Wright, Non-Executive
Director

Company Secretary

Mr John J Palermo

Registered Office

Level 1, 284 Oxford Street,
Leederville, Western Australia

Share Registry *

Automic Group,
Level 5, 126 Phillip Street,
Sydney, New South Wales

Legal Advisor

Eaton Hall, Corporate & Commercial
Lawyers, 20 / 210 Queen Victoria
Street, North Fremantle, Western
Australia

* This entity has been included for information purposes only. It has not been involved in the preparation of this Prospectus.

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Investment Overview

Topic	Summary	More Information
What is the Offer and what are its key terms?	The Company is offering five (5) New Shares at an issue price of \$0.065 (6.5 cents) per New Share.	See Section 1.1.
Who should apply?	The Company may invite an investor to apply for the Shares. An Application Form would only be provided that investor.	See Section 1.2.
What is the purpose of the Offer?	The purpose of the Offer is to remove the secondary trading sale restrictions on the Shares issued under the Placement.	See Section 1.1.
What is the Placement?	<p>On 10 February 2021, the Company announced that it intended to undertake a placement of Shares to Sophisticated Investors at \$0.075 (7.5 cents) per Share to raise \$4,750,000 before costs.</p> <p>The Company issued 21,973,070 Shares pursuant to the Tranche 1 Placement on or about 22 February 2021 (utilising the Company's then current placement capacity pursuant to Listing Rule 7.1). The Company issued 41,360,263 Shares on or about 9 April 2021 following Shareholder approval being obtained at the General Meeting.</p>	See Section 1.1.
What are the key risks of investing in the Company?	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.</p> <p>Set out below are specific risks that the Company is exposed to:</p> <ul style="list-style-type: none"> Funding <p>The future capital requirements of the Company will depend on many factors including the success of the technology proof-of-concept program and partner collaborations and in the possible commercialisation of the Company's own products.</p> <p>The Company intends to identify, evaluate and source new business opportunities that meet investment criteria set by the Company. The Company may require additional funds to fund these new business opportunities. Should the Company require such additional funding, there can be no assurance that additional</p> 	See Section 3.

Topic	Summary	More Information
	<p>financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.</p> <p>Any equity financing may be dilutive to Shareholders, and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.</p> <ul style="list-style-type: none"> • Force majeure <p>The Company, now or in the future, may be adversely affected by risks outside the control of the Company including epidemics and pandemics (such as the novel coronavirus), labour unrest, machinery or equipment breakdown or damage, transportation disruptions, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes or quarantine restrictions. In particular, the current coronavirus pandemic has restricted world travel and public gatherings (including attendance on retail outlets) which will impact the Company's operations, including in relation to sales and product distribution.</p> • Climate change <p>There are a number of climate-related factors that may affect the Company's business or its assets. For instance:</p> <ul style="list-style-type: none"> • climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its operations and/or on the Company's ability to transport or sell its products; and • changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets, or may result in less favourable pricing for products, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy. • Technology risk <p>The Dermaportation (DP) and Enhanced Transdermal Polymer (ETP) delivery platforms are early-stage technologies</p> 	

Topic	Summary	More Information
	<p>that require significant further development to evaluate, optimise and validate the delivery systems for future transdermal product development. In vitro skin diffusion results from third party studies and evaluations have shown preliminary evidence of in vitro transdermal delivery however there is no guarantee that other factors did not contribute to those results. The Company has engaged third party consultants and initiated various study and evaluation programs to identify and optimise the key technology, equipment and skin modelling with the aim of improving the reliability and repeatability of DP and ETP enhanced drug diffusion, but there can be no certainty that this aim can be achieved. The Company can give no guarantees that either the DP or ETP technology will successfully achieve in vivo proof-of-concept nor any commercial outcomes.</p> <ul style="list-style-type: none"> <p>• Market risk</p> <p>The Company operates in the transdermal drug delivery market which includes multiple market segments for potential pharmaceutical and cosmetic patch applications. The Company is seeking to further diversify its business risk by acquiring or in-licensing new technologies or products. There can be no assurance that the Company will secure such new business opportunities or that the new opportunities will provide additional value to the Company.</p> <p>The Company may also be adversely affected by the general market sentiment towards the biotechnology sector.</p> <p>• Competitive risk and market acceptance</p> <p>Multiple early-stage and mature competitors exist in the transdermal drug delivery market including those that have more advanced passive and active transdermal technologies and products marketed or in development such as iontophoresis, microneedles, radio-frequency and heat-assisted technologies. Competition by superior transdermal or alternative drug delivery technologies and/or products may negatively affect the potential of the Group's technologies and/or future products.</p> <p>The success of the Group's DP and ETP delivery platforms will depend on the competitiveness and acceptance of such technology by the market, as well as the Company's ability to improve the drug delivery profile or cost of proposed transdermal products to meet the evolving</p> 	

Topic	Summary	More Information
	<p>needs of customers on a timely basis. The global marketplace for most products is constantly changing due to new technologies, new products, changes in preferences, changes in regulations and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns.</p> <ul style="list-style-type: none"> • Reliance on key management <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.</p> <p>There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 3 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.</p>	
<p>What is the effect of the Offer on the capital structure of the Company?</p>	<p>The maximum number of securities that may be issued under the Offer is 5 (five) Shares.</p>	<p>See Section 2.</p>
<p>Is the Offer subject to a minimum subscription?</p>	<p>No.</p>	<p>See Section 1.3.</p>
<p>What are the key dates of the Offer?</p>	<p>The timetable for the Offer is as follows:</p> <ul style="list-style-type: none"> • Lodge Prospectus with ASIC and ASX 19 April 2021 • Opening Date 19 April 2021 • Closing Date 20 April 2021 <p>The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates , including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act and the Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases or withdrawing the Offer.</p>	
<p>Company contact</p>	<p>You can contact the Company Secretary on +61 8 9443 3011 for further details.</p>	<p>Corporate Directory.</p>

1. DETAILS OF THE OFFER

1.1 The Offer

By this Prospectus, the Company is making an offer to an investor by invitation only of five (5) New Shares at an issue price of \$0.065 (6.5 cents) per New Share. Accordingly, the primary purpose of the Offer is not to raise capital.

As announced to ASX, on or about 22 February 2021 and 9 April 2021, the Company issued Shares pursuant to the Placement. The Shares issued under the Placement were issued without valid disclosure under Chapter 6D of the Corporations Act.

The Company must ensure the Shares issued under the Placement are freely tradeable (ie. are not subject to the secondary trading sale restrictions in the Corporations Act) either by issuing a cleansing notice under section 708A(5) of the Corporations Act, or issuing a prospectus under section 708A(11) of the Corporations Act.

The Company is unable to issue a cleansing notice under section 708A(5) of the Corporations Act as its securities were suspended from trading on the ASX for more than five (5) trading days in the last 12 months.

Accordingly, the primary purpose of this Prospectus is to facilitate secondary trading of the Placement Shares.

Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities of the company that are already quoted on the ASX; and
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made (section 708A(11)(b)(i)); or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued (section 708A(11)(b)(ii)); and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

This Prospectus has also been issued to provide information on the Offer being made under this Prospectus.

In addition, the Company has sought orders from the Supreme Court of Western Australia for declaratory relief and ancillary orders relating to prior trading in the relevant Placement Shares. Specifically, the Company has sought, and expects to obtain following the lodgement of this Prospectus, a declaration that any sales between the date of the issue of the Shares and the

lodgement of this Prospectus are not invalid by reason of the Company's failure to issue a valid cleansing notice.

1.2 Details of the Offer

By this Prospectus, the Company is making an invitation to apply for five (5) New Shares at an issue price of \$0.065 (6.5 cents) per New Share. The Offer is open to persons by invitation from the Company only. An Application Form will only be provided to these persons.

If the Directors decide to issue New Shares offered under this Prospectus, the Shares will be issued as soon as practicable after the Closing Date. The Directors will decide the recipients of those Shares.

1.3 Minimum subscription

The Offer is not subject to a minimum subscription condition.

1.4 Timetable

The timetable for the Offer is as follows:

Event	Date
Lodge Prospectus with ASIC and ASX	19 April 2021
Opening Date	19 April 2021
Closing Date	20 April 2021

The above dates are indicative only and may be subject to change.

The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases or withdrawing the Offer.

No cooling-off rights apply to applications submitted under the Offer. The commencement of quotation of the Shares is subject to confirmation from ASX.

1.5 Use of funds

After paying the expenses of the Offer, no funds will be raised from the Offer.

1.6 CHESS

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares. The Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be dispatched to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-

register). The statements will set out the number of New Shares allotted under the Prospectus and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold securities on the CHESSE sub register) or Shareholder Reference Number (for Shareholders who elect to hold their securities on the issue sponsored sub-register). Updated holding statements will also be sent to each Shareholder following the month in which the balance of their Shareholding changes, and also as required by the Listing Rules or the Corporations Act.

1.7 Official Quotation

The Company will apply to ASX for any New Shares being offered by this Prospectus to be granted Official Quotation.

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the New Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company, its Shares or the New Shares offered pursuant to this Prospectus.

1.8 Application Monies held on trust

Application Monies will be held in trust for Applicants until the allotment of the New Shares. Any interest that accrues will be retained by the Company.

1.9 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer, in which case, the Company will return all relevant Application Monies (without interest) in accordance with the Corporations Act.

1.10 Risk factors of an investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.11 Overseas applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

1.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2020 is contained in the Annual Report which is available on the Company's website at <https://wellfully.net/>.

A summary of the major activities and financial information relating to the Company for the half year ended 31 December 2020 is contained in the Half Yearly Report which is available on the Company's website at <https://wellfully.net/>.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report for the year ended 30 June 2020 with ASX on 1 October 2020 are detailed in Section 5.1.

Copies of these documents are available free of charge from the Company or the Company's website: <https://wellfully.net/>.

1.13 Paper copies of prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Company Secretary on +61 8 9443 3011.

1.14 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Company Secretary on +61 8 9443 3011.

2. EFFECT OF THE OFFER

2.1 Effects of the Offer

The principal effects of the Offer (assuming full subscription) are that:

- (a) the Company may issue five (5) New Shares;
- (b) the Company's cash funds will not materially decrease;
- (c) the total number of Shares on issue will be 209,820,471 (assuming 5 New Shares under the Offer are issued), and the total number of Options on issue are as follows:
 - (i) 6,150,000 Existing Options; and
 - (ii) 154,986,434 Listed Options; and
- (d) secondary trading sale restrictions on the Placement Shares will be removed.

2.2 Effect of the Offer on control

The Offer will have no significant effect on the control of the Company.

3. RISK FACTORS

The Shares are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risks factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers before deciding whether to apply for New Shares under this Prospectus.

The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company and cannot be mitigated.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. Some of the factors which investors should consider before they make a decision whether or not to apply for New Shares include, but are not limited to, the risks in this Section 3.

3.1 Company Specific Risks

(a) Funding

The future capital requirements of the Company will depend on many factors including the success of the technology proof-of-concept program and partner collaborations and in the possible commercialisation of the Company's own products.

The Company intends to identify, evaluate and source new business opportunities that meet investment criteria set by the Company. The Company may require additional funds to fund these new business opportunities. Should the Company require such additional funding, there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

Any equity financing may be dilutive to Shareholders, and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.

(b) Force majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including epidemics and pandemics (such as the novel coronavirus), labour unrest, machinery or equipment breakdown or damage, transportation disruptions, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes or quarantine restrictions. In particular, the current coronavirus pandemic had restricted world travel and public gatherings (including attendance on retail outlets) which will impact the Company's operations, including in relation to sales and product distribution.

(c) Technology risk

The Dermaportation (**DP**) and Enhanced Transdermal Polymer (**ETP**) delivery platforms are early-stage technologies that require significant further development to evaluate, optimise and validate the delivery systems for future transdermal product development. In vitro skin diffusion results from third party studies and evaluations have shown preliminary evidence of in vitro transdermal delivery however there is no guarantee that other factors did not contribute to those results. The Company has engaged third party consultants and initiated various study and evaluation programs to identify and optimise the key technology, equipment and skin modelling with the aim of improving the reliability and repeatability of DP and ETP enhanced drug diffusion, but there can be no certainty that this aim can be achieved. The Company can give no guarantees that either the DP or ETP technology will successfully achieve in vivo proof-of-concept nor any commercial outcomes.

(d) Development and regulatory risk

The drug delivery market has a lower risk profile than new drug development. However, international regulatory authorities are requiring more extensive clinical trials to show evidence of safety and efficacy for new transdermal products, and further changes to regulatory requirements for drug/device combinations may increase the development costs and time to market. Subject to the successful achievement of in vivo proof-of-concept (which cannot be guaranteed), the Company plans to leverage the Group's platform delivery technologies to develop effective transdermal solutions for existing approved drugs to reduce development costs and timelines but there is no guarantee that regulatory authorities will provide marketing approval of any future transdermal pipeline products that incorporate the Group's technology. The Company operates in a highly regulated environment and its ability to operate freely may be restricted by regulatory requirements or the actions of regulatory authorities.

(e) Intellectual property risk

The Company has filed (either in its own name or in the name of its wholly-owned subsidiary, International Scientific Pty Ltd) several patent applications that, if granted, will provide patent protection over the magnetic delivery method and apparatus of both its DP and ETP technologies for 20 years from the patent filing date. However, there is no guarantee that the Group patent applications will not infringe competitor patents or that the Group patent applications will be granted by authorities in key jurisdictions, given that patents on similar subject matter have been granted. Prior to the grant of the patent applications, the Company intends to request the inventors (and any potential inventors) of the relevant technology (to the extent they have not already done so) to assign ownership of the technology to the Group. The Company anticipates that the inventors (and any potential inventors) will sign the required documents. This will mitigate the risk of any challenge to the ownership of a patent by an inventor after the patents are granted. If the assignment documentation is not signed by the inventors (or any potential inventors) prior to the grant of the patents

to the Company or the Group, there is a risk that the patents could be revoked if subsequently challenged by the inventors.

(f) Competitive risk and market acceptance

Multiple early-stage and mature competitors exist in the transdermal drug delivery market including those that have more advanced passive and active transdermal technologies and products marketed or in development such as iontophoresis, microneedles, radio-frequency and heat-assisted technologies. Competition by superior transdermal or alternative drug delivery technologies and/or products may negatively affect the potential of the Group's technologies and/or future products.

The success of the Group's DP and ETP delivery platforms will depend on the competitiveness and acceptance of such technology by the market, as well as the Company's ability to improve the drug delivery profile or cost of proposed transdermal products to meet the evolving needs of customers on a timely basis. The global marketplace for most products is constantly changing due to new technologies, new products, changes in preferences, changes in regulations and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns.

(g) Commercialisation risk

The Company seeks to commercialise its technology and/or potential pipeline products through both out-licensing to pharmaceutical and cosmetic partners and undertaking its own product development. The Company is collaborating with several potential pharmaceutical and drug delivery partners to evaluate the technology for future development and licensing deals but there is no guarantee that any licensing agreement will be executed nor that the Company will achieve future licensing fees or royalty income. A successful proof-of-concept program must be achieved for the DP and ETP drug technology platforms to achieve commercialisation, and this cannot be guaranteed.

In undertaking the development of its own products utilising the Company's technologies, there can be no guarantee that the resulting products will be commercialised or will perform satisfactorily to their intended application.

(h) Market risk

The Company operates in the transdermal drug delivery market which includes multiple market segments for potential pharmaceutical and cosmetic patch applications. The Company is seeking to further diversify its business risk by acquiring or in-licensing new technologies or products. There can be no assurance that the Company will secure such new business opportunities or that the new opportunities will provide additional value to the Company.

The Company may also be adversely affected by the general market sentiment towards the biotechnology sector.

(i) Biological risk

The Company applies its technologies to areas and applications that generally involve biological systems. There can be no guarantees that the delivery of certain agents by the Company's technologies will elicit a desirable, beneficial or commercially exploitable change in the target biological systems in vivo. Furthermore, there can be no guarantee that adverse biological response will not emerge, potentially or entirely negating any benefit of the applied technologies.

(j) Clinical risk

The Company applies its technologies to areas and applications that generally require the achievement of specific clinical outcomes. There can be no guarantees that the delivery of the certain agents by the Company's technologies will elicit a desirable, beneficial or commercially exploitable clinical outcome. Furthermore, there can be no guarantee that any clinical outcome will be accepted by the industry, regulators and partners.

(k) Manufacturing risk

The Company regularly applies its technologies to products and applications that require the technology to be manufactured to a standard and at a cost acceptable to the industry, regulators and partners. There can be no guarantees that suitable manufacturers, manufacturing processes, techniques and materials can be found to a standard, a cost or quality acceptable to the industry, market or partners.

(l) Climate change

There are a number of climate-related factors that may affect the Company's business or its assets. For instance:

- (i) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its operations and/or on the Company's ability to transport or sell its products; and
- (ii) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for products, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(m) Regulatory

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

(n) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition.

Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(o) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with the business's operations is not always available and where available the costs can be prohibitive.

(p) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

3.2 General Risks

(a) Litigation

The Company may be subject to litigation and other claims with its suppliers. Such claims are usually dealt with and resolved in the normal course, but should any claims not be resolved any dispute or litigation in relation to this or any other matter in which the Company may in the future become involved could result in significant disruption, potential liability and additional expenditure.

140,000 convertible notes issued on 4 June 2009 were not converted by the due date being 4 June 2012. The terms of the agreement have not since that date been extended. Correspondingly, the principal amount outstanding including any interest outstanding has been classified as current. The Company was served with a writ over these convertible notes, as announced to the market and the Company has retained legal representation for the active defence of the matter. There has been no activity on this matter for some years.

(b) Securities investments

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Offer price and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

(c) Share market conditions

The market price of the Shares may fall as well as rise and may be influenced by the varied and unpredictable movements in the equity markets. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) Economic risk

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the extent to which renewable energy becomes increasingly popular and/or viable, the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(e) Policies and legislation

Any material adverse changes in government policies or legislation of Australia or any other country that the Company has economic interests may affect the viability and profitability of the Company.

(f) Taxation

There may be tax implications arising from applications for Shares, the receipt of dividends (both franked and unfranked) (if any) from the Company, the participation in any on-market Share buy-back and on the disposal of Shares.

(g) Global credit and investment markets

Global credit, commodity and investment markets volatility may impact the price at which the Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(h) Counterparty risk

There is a risk that contracts and other arrangements within which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

(i) Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4. RIGHTS ATTACHING TO SHARES

4.1 General rights

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

4.2 Rights attaching to Shares

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares. Full details of the rights and liabilities attaching to the Shares are contained in the Constitution of the Company and in certain circumstances, are regulated by the Corporations Act, the Listing Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

(a) Voting rights

Subject to the Constitution and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder and for each partly paid share held, a fraction of one vote equal to the proportion which the amount paid up bears to the amounts paid or payable on that share. In the case of an equality of votes, the chairperson does not have a casting vote.

(b) Dividends

Subject to the Corporations Act and the Listing Rules, the Directors may determine that a dividend (whether interim, final or otherwise) is payable and fix the amount, method and time for payment of the dividend.

(c) Winding up

If the Company is wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution (being a resolution passed by not less than 75% of the votes validly cast at a general meeting), divide amongst the Shareholders in specie or kind, the whole or any part of the assets of the Company and may for that purpose, set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders of the Company.

(d) Transfer of Shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the Listing Rules, the ASX Settlement Operating Rules, the ASX Clear Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules, the ASX Clear Operating Rules or under the Constitution.

(e) Calls on Shares

Subject to the Corporations Act, the Constitution and the terms of issue in respect of a Share, the Company may, at any time, make calls on the Shareholders of a Share for all, or any part of, the amount unpaid on the Share. If a Shareholder of the Company fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and the Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the Share in respect of which the call was made or forfeit the Share in respect of which the call was made.

(f) Further increases in capital

Subject to the Corporations Act, the Listing Rules, the Constitution and any rights attached to a class of Shares, the Company (under the control of the Directors) may allot and issue Shares and grant options over Shares, on any terms, at any time and for any consideration, as the Directors resolve.

(g) Variation of rights attaching to Shares

Subject to the Corporations Act, the Listing Rules, the Constitution and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class by either special resolution passed at a general meeting of the holders of the Shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(h) General meetings

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.3 Dividend policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

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5. ADDITIONAL INFORMATION

5.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Offer:
- (i) the annual financial report of the Company for the financial year ended 30 June 2020 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its annual report on 1 October 2020:

Description of announcement	Date
Appendix 3Y's	16 April 2021
Appendix 3X - Mr Anthony Wright	14 April 2021
Appointment of Non-Executive Director	14 April 2021
Suspension from Official Quotation	14 April 2021
Wellfully Update	14 April 2021
Trading Halt	13 April 2021
Top Holders and Distribution	9 April 2021
Cleansing Statement	9 April 2021
Appendix 2A	9 April 2021
Appendix 2A	9 April 2021
Appendix 2A	9 April 2021
Proposed Issue of Securities under Loyalty Offer	6 April 2021
Closure of Loyalty Offer	1 April 2021
Results of General Meeting	31 March 2021
Confirmation of Despatch to the Shareholders	22 March 2021
Investor Webinar	22 March 2021
Appendix 2A	15 March 2021
Appendix 2A	15 March 2021

Appendix 2A	15 March 2021
Disclosure Document	12 March 2021
Appendix 3B	10 March 2021
Further Updated Timetable & Clarification to Notice	10 March 2021
Wellfully's Updated Timetable	3 March 2021
Update - Proposed issue of Securities - WFL	3 March 2021
Update - Proposed issue of Securities - WFL	3 March 2021
Update - Proposed issue of Securities - WFL	3 March 2021
Notice of General Meeting	2 March 2021
Appendix 4D 31 December 2020	1 March 2021
Investor Presentation	23 February 2021
Notice under Section 708A(5) of the Corporations Act	23 February 2021
Appendix 2A	23 February 2021
Proposed issue of Securities - WFL	10 February 2021
Proposed issue of Securities - WFL	10 February 2021
Proposed issue of Securities - WFL	10 February 2021
Proposed issue of Securities - WFL	10 February 2021
Placement, Loyalty Offer and UMP Sale Facility	10 February 2021
Response to ASX Appendix 4C Query	8 February 2021
Business & Operational Update	8 February 2021
Appendix 3Y	23 December 2020
Medicinal Cannabis Product Development Partnership	21 December 2020
US Patent Granted - Emulsion Technology	21 December 2020
P&G Grants Non Exclusive License	10 December 2020
2020 AGM Results	23 November 2020
Update on Notices Received	12 November 2020
Virtual Investor Presentation	6 November 2020
Virtual Conference	5 November 2020
Quarterly Activities Report September 2020	30 October 2020
Appendix 4C September 2020	30 October 2020

Shareholder Notices	27 October 2020
Notice of Annual General Meeting	23 October 2020
REDUIT Completes 20-20 Campaign	13 October 2020
Investor Webinar and Q&A Presentation	1 October 2020
2020 Appendix 4G	1 October 2020

5.2 Interests of Directors

No Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus and as follows.

5.3 Director holdings

The Directors and their related entities have the following interests in Shares as at the date of this Prospectus:

Director	Shares held
Mr Antonio Varano Della Vergiliana, Non-Executive Chairman ¹	3,393,997
Mr Jeffrey Edwards, Managing Director ²	2,021,550
Mr Steven Schapera, Non-Executive Director ³	3,319,213
Mr Cameron Reynolds, Non-Executive Director ⁴	829,166
Mr Anthony Wright, Non-Executive Director	Nil

Notes:

1. These Shares are held via (i) the son of Mr Antonio Varano Della Vergiliana controls a company that holds Shares, being Camerte Investments Pty Ltd, (ii) Sabina Pty Ltd, a

company that his daughter controls, holds Shares, and (iii) Mr Antonio Varano Della Vergiliana holds Shares in his own name.

2. These Shares are held by Jeffrey Edwards jointly with his wife Beverly Edwards.
3. Namaqua Holdings Limited and The Brand Laboratories FZ LLC respectively hold these Shares for the benefit of Mr Steven Schapera.
4. These Shares are held by PB Commodities Pte Ltd for the benefit of Mr Cameron Reynolds.

The Directors and their related entities have the following interests in Listed Options as at the date of this Prospectus:

Director	Listed Options held
Mr Antonio Varano Della Vergiliana, Non-Executive Chairman ¹	477,778
Mr Jeffrey Edwards, Managing Director	1,347,701
Mr Steven Schapera, Non-Executive Director	Nil
Mr Cameron Reynolds, Non-Executive Director ³	133,333
Mr Anthony Wright, Non-Executive Director	Nil

Notes:

1. The son of Mr Antonio Varano Della Vergiliana controls a company that holds Listed Options, being Camerte Investments Pty Ltd. Sabina Pty Ltd, a company that his daughter controls, also holds Listed Options.
2. These Listed Options are held by Jeffrey Edwards jointly with his wife Beverly Edwards.
3. These Listed Options are held by PB Commodities Pte Ltd for the benefit of Mr Cameron Reynolds.

5.4 Remuneration of Directors

The Directors have received the following remuneration in respect of the financial years ended 30 June 2019 and 30 June 2020.

Director	Remuneration (\$) for financial year ended 30 June 2019	Remuneration (\$) for financial year ended 30 June 2020
Mr Antonio Varano Della Vergiliana, Non-Executive Chairman	223,870	140,233
Mr Jeffrey Edwards, Executive Director	345,734	307,470
Mr Steven Schapera, Non-Executive Director	183,767	173,301
Mr Cameron Reynolds, Non-Executive Director	75,000	56,250
Mr Anthony Wright, Non-Executive Director	Nil	Nil

5.5 Interests of promoters, experts and advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a

partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as disclosed in this Prospectus and as follows:

- (d) Eaton Hall has acted as the Australian lawyers to the Company for the Offer. In respect of this work the Company will pay Eaton Hall approximately \$5,000. During the two years before the date of this Prospectus, Eaton Hall has provided the Company with legal services and was paid approximately \$93,469 for these services.

The amounts disclosed above are exclusive of GST (if any) payable by the Company in respect of those amounts.

5.6 Related party transactions

As at the date of this Prospectus, no material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

5.7 Expenses of Offer

The total expenses of the Offer payable by the Company are:

Expense	Amount (\$)
ASIC lodgement fee	3,206
Legal and other expenses	6,000
Total	9,206

5.8 Market price of Shares

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

- (a) Highest: \$0.13 (13 cents) on 19 January 2021; and
- (b) Lowest: \$0.065 (6.5 cents) on 12 April 2021.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.065 (6.5 cents) on 12 April 2021.

5.9 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

5.10 Litigation and claims

The Company has sought orders the Supreme Court of Western Australia for declaratory relief and ancillary orders relating to prior trading in the relevant Placement Shares. Specifically, the company has sought, and expects to obtain following the lodgement of this Prospectus, a declaration that any sales between the date of the issue of the Shares and the lodgement of this Prospectus are not invalid by reason of the Company's failure to issue a valid cleansing notice.

Otherwise, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group, other than as disclosed in this Prospectus.

5.11 Consents

Each of the parties referred to in this Section 5.11:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 5.11.

None of the parties referred to in this Section 5.11 authorised or caused the issue of this Prospectus or the making of the Offer.

Eaton Hall has given its written consent to being named as Australian legal advisor to the Company. Eaton Hall has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

5.12 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

5.13 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Level 1, 284 Oxford Street, Leederville, Western Australia:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.11.

5.14 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.15 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares.

6. AUTHORISATION

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:

Antonio Varano

Mr Antonio Varano Della Vergiliana
Chairman
Dated 19 April 2021

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7. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares under the Offer.

Application Form means the Application Form provided to persons pursuant to the Offer.

Application Monies means Application monies for New Options under the Offer, received and banked by the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Securities Exchange Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

Board means the board of Directors as at the date of this Prospectus.

CHESS means Clearing House Electronic Subregister System.

Closing Date means the closing date of the Offer detailed in the Indicative Timetable.

Company means Wellfully Limited (ACN 056 482 636).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

DP has the same meaning given to that term in Section 3.1(c).

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website <https://wellfully.net/>.

ETP has the same meaning given to that term in Section 3.1(c).

Existing Option means an unlisted option which entitles the holder to subscribe for 1 Share, exercisable at \$0.10 on or before 19 August 2023.

General Meeting means the meeting of Shareholders held on 31 March 2021.

Group means:

- (a) the Company;
- (b) Bodyguard Lifesciences Pty Ltd;

- (c) International Scientific Pty Ltd;
- (d) Wellfully SA;
- (e) Wellfully Limited;
- (f) Wellfully Ltd;
- (g) Peros Dongguan Technology and Trading Co. Ltd.; and
- (h) Wellfully d.o.o..

GST means Goods and Services Tax.

Indicative Timetable means the indicative timetable for the Loyalty Offer in Section 1.4.

Entitlement Issue means the non-renounceable pro rata entitlement issue of two (2) New Options for every three (3) Shares at an issue price of \$0.001 (0.1 cents) per New Option.

Listed Option means an option issued under the Options Prospectus, being a listed option which entitles the holder to subscribe for 1 Share, exercisable at \$0.15 on or before 31 March 2023.

Listing Rules means the listing rules of the ASX.

New Share means a Share issued under this Prospectus, on the terms set out at section 4.2

Offer means the offer of five (5) New Shares at an issue price of \$0.065 per New Share, pursuant to this Prospectus.

Official Quotation or **Quotation** means official quotation by ASX in accordance with the Listing Rules.

Opening Date means the date specified as the opening date in the Indicative Timetable.

Options means the Existing Options and the Listed Options.

Options Prospectus means the Company's prospectus for the issues of Listed Options dated 11 March 2021.

Placement means the placement to Sophisticated Investors conducted by the Company, including the Tranche 1 Placement and the Tranche 2 Placement.

Placement Shares means the Shares issued pursuant to the Placement, including the Tranche 1 Placement Shares and the Tranche 2 Placement Shares.

Prospectus means this prospectus dated 19 April 2021.

Section means a section of this Prospectus.

Share Registry means Automic Pty Ltd (ACN 152 260 814).

Shareholder means any person holding Shares.

Shares means ordinary fully paid shares in the capital of the Company.

Tranche 1 Placement means the placement of 21,973,070 Shares issued on or about 22 February 2021.

Tranche 1 Placement Shares means 21,973,070 Shares issued under the Tranche 1 Placement.

Tranche 2 Placement means the placement of 41,360,263 Shares issued on or about 9 April 2021.

Tranche 2 Placement Shares means 41,360,263 Shares issued under the Tranche 2 Placement.

In this Prospectus, words importing the singular include the plural and vice versa unless the context otherwise requires.

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