

MARCH 2021 QUARTERLY REPORT

Wellfully Limited (ASX: **WFL**) (**Wellfully** or the **Company**) is pleased to provide an overview of its activities for the quarter ended 31 March 2021.

CAPITAL RAISING

The Company completed an oversubscribed placement in the period raising \$4.75 million from sophisticated and professional investors. The raise resulted in 63,333,333 shares being issued at \$0.075 per share. Due to ASX restrictions, 21,973,070 shares were issued on 22 February and the remaining 41,360,263 shares were issued on 9 April after shareholder approval was obtained at an Extraordinary General Meeting held on 31 March 2021.

The placement was accompanied by a non-renounceable pro-rata entitlement options (Loyalty Offer), which raised an additional \$103,820. Shareholders were offered two new options with an exercise price of \$0.15 for every three shares held at the record date. The offer was priced at \$0.001 per option.

Proceeds from the capital raise are intended to be used for technology licensing, business development, Swisswell (BodyGuard) go-to-market activities, the device division (RÉDUIT) development, as well as providing for general working capital.

UNMARKETABLE PARCELS SALE FACILITY

The Company advises that the estimated Unmarketable Parcels payment date for the Unmarketable Parcel Sale Facility will be extended to 'as soon as practicable after 27 May 2021'. The Company again notes that it may modify the dates for this Facility or suspend or terminate the Facility. Any further modification, suspension or termination will be notified to shareholders by way of a market announcement on ASX.

OPERATIONS

Works to establish the Company's development, production and distribution operations in Switzerland are now well underway. A site was secured in Bioggio in Southern Switzerland, close to the logistics hubs and complementary industrial centres of the nearby Lombardy region of Italy. Equipment for bulk production, filling and water preparation has been sourced and installation is in progress.

The Company is also focusing on development and production of RÉDUIT's Skinpod and Hairpod products, as well as the launch and distribution of the Swisswell (BodyGuard) Lubricen knee patches in its first phase of operations.

Marketing of the Company's new RÉDUIT UNI product line ramped up in the period as the RÉDUIT range launched on leading online beauty products marketplace Cult Beauty.

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

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www.wellfully.net
ABN: 72 056 482 636

The Wellfully Ambassador program was also established, a novel network of micro-influencers that is planned to drive additional brand awareness and sales while minimising exposure to retail channels impacted by the pandemic.

Subsequent to the end of the period, Wellfully appointed Melbourne-based lawyer and executive Anthony Wright as a Non-Executive Director. Mr Wright is an experienced senior executive with more than 20 years of experience across leadership, commercial, legal, governance, strategy, sales and marketing roles. He has experience with leading international and Australian organisations including Transpacific Industries Group Ltd (now Cleanaway Ltd) and the PGA Tour. Mr Wright is an Executive Director of LOD, a global leader in the legal services market which has ~500 staff across 12 countries.

SCIENCE AND INNOVATION ACTIVITIES

Wellfully received an R&D Tax Incentive Refund of \$524,409 before costs during the quarter. The refund stems from R&D activity undertaken across the group during the 2020 financial year.

During the period, the Company's Perth-based Science and Innovation laboratory continued with developments around enhanced transdermal delivery of cannabidiol (CBD), a project being undertaken as a collaboration between Wellfully and Dolce.

Formulation development and enhanced transdermal penetration of female hormones commenced in the period in conjunction with a large European Pharmaceutical company. Bulk release analysis studies were undertaken with encouraging levels of enhanced delivery of hormone replacements by magnetic microarrays.

Progress with the Company's new Dispersed Phase Hydrogels accelerated with cross-linking times and stability and capacity all increasing. The new high capacity hydrogels are expected to underpin a range of RÉDUIT beauty masks, Swisswell (BodyGuard) site specific injury patches and to underpin the industrialisation of the Company's expertise in enhanced delivery IBU drug patches.

INVESTOR WEBINAR

Wellfully CEO Paul Peros delivered a webinar to investors and interested parties on Wednesday, 28 April 2021 at 11am AEST (9am AWST).

A replay of the session can be viewed at the following link:

https://us02web.zoom.us/webinar/register/WN_OlfTeZcqTjO23qMQLlvXNQ

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.

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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 Misting 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.

- Ends -

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