

JUNE 2021 QUARTERLY REPORT

Wellfully Limited (ASX: WFL) (Wellfully or the Company) is pleased to provide an overview of its activities for the quarter ended 30 June 2021.

OPERATIONS

Wellfully substantially expanded its geographic footprint in the period. In addition to securing retail placements in Portugal and distribution agreements in Eastern Europe and Brazil, the Company signed a supply agreement and third party partnership with Russian luxury consumer brand BORK (www.bork.ru). The agreement will see RÉDUIT One and Spa applicator devices and a selection of Skinpods and Hairpods supplied and marketed in Russia and other Commonwealth of Independent State (CIS) markets, exclusively under the BORK brand.

The collaboration will enable Wellfully to continue its market expansion and growth strategy in Russia and the CIS markets of Europe and Central Asia. The collaboration with BORK aims to launch in the second half of 2021 and will initially run to 1 September 2022. Over this period, it is forecast to deliver sales of US\$1.5M (A\$2M). The first order valued at over US\$548k has already been received, with the related downpayment already contributing to the cash receipts in this quarter.

The agreement validates and supports Wellfully's continued geographic expansion and the Company's broader third-party collaboration growth strategy. It also brings Wellfully's RÉDUIT-based technology to the large BORK retail network consisting of 130 stores, 10 prominent third-party retailers such as Articoli and Gold Apple, as well as BORK's 350,000+ direct consumers.

The development of other industry collaboration activities spanning general innovation in enhanced drug delivery technologies, as well as partnerships based on RÉDUIT's specific product and brand platform are also underway.

Wellfully also completed work at its new facilities in the quarter. The Company completed construction and fitout at its new Lugano Facility in Switzerland. Equipment and process testing is underway at the site, as well as certification activities. The facility will be used as the formulations laboratory and topicals productions, leveraging its presence in the broader Swiss–Milan cosmetics district.

The second build phase at Wellfully's Dongguan Facility was also completed in the June quarter. The site was prepared for operations in just three months. Situated between two of the world's largest manufacturing and technology hubs — Guangzhou and Shenzhen — the site will be the primary base for Wellfully's device design and development activities, as well as select intermediate assembly operations.

Directors

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

CEO

Mr Paul Peros

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Mr John Palermo

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In marketing and sales operations, Wellfully expects to roll out RÉDUIT Uni, the brand's newest applicator device, to other retail partners over the coming months. The increase in stockists will follow the end of the exclusivity period with UK-based Cult Beauty, which has supported a successful launch of the product.

The first bricks-and-mortar placement of the RÉDUIT range also took place in the quarter, entering a number of Shaver Shop (ASX: SSG) stores in Australia and New Zealand.

In technology and product development, RÉDUIT One and Spa device upgrade work continued alongside the integration of new structures and features into the other applicators. In addition, the Company is also already engaged in the industrialisation of its newly awarded in-situ separation of mixtures technology patent that will take the form of the world's first enhanced delivery sunscreen.

KEY APPOINTMENTS

During the period, Anthony Wright was appointed to the board 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 in leading global 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. He leads its Law Firm, Legal Operations, Legal Technology, and Risk and Compliance divisions.

Another key appointment during the period was that of CFO Sergej Dolezil. Mr Dolezil began his career with one of the Big Four global accounting firms working in audits, international business consulting and M&A, as well as tax advisory. In addition to more than eight years leading the Auditing Departments of the largest regional energy and insurance companies, he held a series of C-level and Board positions with responsibilities spanning M&A, fundraising, and general financial planning and administration management roles. Mr Dolezil is based in Wellfully's Zagreb office.

INVESTOR WEBINARS

Wellfully's CEO, Paul Peros, delivered two webinars to investors and interested parties on 28 April 2021 and subsequent to the end of the period on 2 July 2021.

A replay of the two sessions can be viewed at the following links:

April: https://us02web.zoom.us/webinar/register/WN_OlfTeZcqTjO23qMQllvXNQ

July: https://us02web.zoom.us/webinar/register/WN_l83o2-i-TXq3ZDL2ucqU0Q

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 for three non-executive director's fees.

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ABOUT WELLFULLY

Wellfully is a fully integrated, science-based wellness company. In addition to our own-brands, RÉDUIT and SWISSWELL, we also offer a portfolio of proprietary technologies and support partners by providing IP and expertise in magnetic array design, feasibility and efficacy, and claims testing, engineering and production.

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.

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

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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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