

## Appendix 4E

Preliminary Financial Statements for Wellfully Limited and its controlled entities

for the financial year ended 30 June 2022

ABN 72 056 482 636

### Results for Announcement to the Market

	30-Jun-22 \$000	30-Jun-21 \$000	Change	
			\$000	%
Revenue	2,062	463	1,599	Up 345%
Other income	537	740	(203)	Down 27%
Loss for the period after tax	(8,068)	(6,397)	(1,671)	Up 26%
Loss attributable to members of the parent entity	(8,068)	(6,397)	(1,671)	Up 26%
Net tangible (liabilities)/ assets per share (cents/ share)	(0.05)	1.10	(1.15)	Down 105%

### Audit Status

The reports below are based on accounts which are in the process of being audited.

**If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.**

The Company's audit is continuing at present. The Company expects that the audit report will include an emphasis of matter paragraph highlighting a material uncertainty relating to the Company's ability to continue as a going concern.

The Company has also highlighted this matter in the Notes below.

### Review of Operations for the period

#### INTRODUCTION

With FY22, Wellfully has completed its aim of becoming a global, fully-integrated science-based wellness company. The transformation from a technology company specialising in licencing its patents to large consumer and pharma partners was initiated back in FY19. This is a result of the efforts spanning FY20 and FY21, during which the activities were primarily focused on developing the organisation, processes and infrastructures needed to engage across target markets.

The FY22 revenues not only quadrupled on FY21 to A\$2 million, but most of these were achieved through the sale of own products and brands across the beauty and wellness sector developed over the past two years. With its own brands, RÉDUIT and SWISSWELL, present across more than 20 markets, the company has initiated operations across multiple channels, more than doubling its commercial footprint in terms of doors reached over the past year.

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This initial scaling of Wellfully's new product and brand infrastructures was also accompanied by important product introductions in FY22. The first was the SWISSWELL Lubricen Knee Patch which was launched in the first quarter of FY22. This was followed by another important first in Q4, the launch of the RÉDUIT BOOST, a universal skincare applicator whose unique digital platform is designed to provide unique consumer insights across millions of skincare applications.

The last quarter was also focused on accelerating commercial activities, many of which are already starting to show results in terms of new channels and markets.

## SALES AND MARKETING

### RÉDUIT brand and device business

The RÉDUIT brand is focused on technical performance, sustainability and design with the objective of delivering advanced beauty solutions in a user-friendly format. Based on Wellfully's patented Magnetic Misting and Enhanced Delivery technologies, the RÉDUIT range offers design-focus applicator devices that use a suite of interchangeable formula pods to deliver premium haircare and skincare products, and, since Q3 FY22, the world's first universal skincare applicator designed to enhance the delivery of any skincare product.

Commercial development of RÉDUIT continued with a focus on high-end retail placements in order to support the brand's qualification and positioning, and FY22 saw a number of important launches:

- Harrods – the most prominent luxury department store worldwide;
- Sephora – LVMHs premium beauty retail operation, and the strongest selective brand in the industry;
- Douglas – the largest European beauty retailer with 1,900 stores in 19 countries; and
- Other important placements included WOW in Madrid, a newly launched concept department store where RÉDUIT was present in the opening of the store itself with the launch of RÉDUIT's BOOST product, an activation that led to a significant increase in visibility with industry press.

Participation in the first post-COVID Cosmoprof International Bologna, the world's largest beauty industry fair, has also had an important positive impact on the visibility and recognition of the brand. With its newly launched RÉDUIT BOOST range, RÉDUIT was the only brand that received two product awards – in its first presence at the fair.

In terms of geographical footprint, RÉDUIT is now present in the UK, Portugal, Spain, Brazil, Switzerland, Poland, Bulgaria, Croatia, Australia and China with new launches being prepared for Mexico, the US, the Netherlands, UAE, Qatar, KSA and elsewhere.

The BORK collaboration, initiated in late FY21, was executed through Wellfully's new operations base in Switzerland and was subsequently expanded across BORK's 130-strong store network in the course of the year.

The traditional industry collaborations, spearheaded by the P&G partnership, continued through FY22 with steady and continuous reorders from a very successful project in personal care and grooming that was initiated in the FY20-21 period.

### SWISSWELL and Lubricen knee patch

Following five years of development activities, early FY22 saw the launch of the SWISSWELL Lubricen Knee Patch product. From August 2021, the product was made available through the swisswell.com site in the form of direct sales, as well as subscriptions.

In the course of the year, the company has managed to secure product registrations in Australia, the US and the EU which allowed for engagement on the B2B front. Two major field tests were set up with pharmacy distributors in Europe covering over 7,000 doors each, and the go-live of the first was achieved in early FY23.

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The interest from both consumers and distribution operators was positive to the extent that the company has launched important projects to insource production of the patches in order to be able to diversify the range to other patches and formulations, increase flexibility and product availability, reduce cost and increase margins for the products.

### RESEARCH AND DEVELOPMENT

#### The RÉDUIT and SWISSWELL BOOST platforms

The BOOST platform development was the most important project for the company in terms of bringing to life a world first, a universal applicator designed to enhance the delivery of active ingredients of third-party that also allows for the personalisation of both skincare and topical drug applications.

The project execution was managed across the Company's Perth Science & Innovation Laboratory, the Design & Industrialisation Center in Dongguan, as well as the Digital Hub based in Zagreb. In addition to the creation of enhanced delivery waveform libraries, the definition and evaluation of personalisation parameters, the design and execution of the device itself, the development of the BOOST platform also included the creation of a digital infrastructure and databases containing millions of third-party products, their descriptions, claims and ingredient lists. In addition, significant effort was dedicated to the digital interfaces, the supporting application and the related data analytics infrastructures.

The pre-launch was performed through the Kickstarter platform, the world's largest crowdfunding site, where the RÉDUIT BOOST managed to reach its target funding within 24 hours, and closed its funding campaign with over USD 100,000 of pledges. The positive reception from the market continued at Cosmoprof International Bologna, where the RÉDUIT BOOST was the most awarded product – at the industry's most prestigious fair.

In addition to enabling additional placements, as well as increasing the scale of retail placements, the BOOST platform has also enriched the Company with its consumer insight infrastructure. Compared to any other device and application system on the market so far, the BOOST platform is unique in terms of gathering data on consumer behaviour not only for its own-branded products, but doing so across any third-party skincare products. At the same time it provides real point-of-use data across different consumer profiles.

The above provides the Company with an important competitive advantage that is already being used to optimize marketing activities, as well as product development. In addition, it is also proving to be of utmost importance in retail collaborations, increasing effectiveness across the wider skincare category for RÉDUIT's partners.

Following the extremely positive feedback and development of RÉDUIT BOOST, the Company has already started activities on developing its health and wellness equivalent, the SWISSWELL BOOST, a universal topical drug applicator designed to enhance the delivery of actives of existing third-party products. With the experience gathered and the infrastructure developed from RÉDUIT BOOST, the Company expects to swiftly scale and develop SWISSWELL BOOST.

#### Topicals Facility Lugano

The Lugano facility, focused on the development and manufacture of bulk products and filling operations, initiated in early FY22. In the course of the year the facility has received the ISO9001:2015, ISO22716:2007, as well as the ISO14001:2015 certification, effectively complying with all the GMPc (Good Manufacturing Practices for cosmetics) standards.

In addition, the Lugano facility was also cleared for the prestigious "SWISS MADE" label by the authorities in April, thereby adding an important differentiator for marketing activities of both RÉDUIT and SWISSWELL.

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### RÉDUIT Active Sunscreen

The Company continued commercialisation planning for the world's first enhanced delivery sunscreen, building on Wellfully's in-situ mixture separation technology patent. Both the applicator, integrated in the product's primary packaging, and the formulations are being finalised with the launch planned in FY23.

### Advanced Reservoir patch architecture development

In early 2022, the Company commenced research and development into the design and construction of an Advanced Reservoir patch architecture that took advantage of the Company's enhanced skin delivery technology to overcome the performance limitations of standard Drug-In-Adhesive (DIA) patch designs. The aim of this program was to create a new patch architecture that provided early on-set of benefit with long-lasting treatment durations and larger active ingredient capacity. It was also a requirement of this program to allow manufacturing of all future Patch Products to be In-House and manufactured entirely at the Lugano Facility.

Two early products to emerge from this program are:

- Redit Eye Mask range – an advanced range of beauty treatments for the under-eye region.
- SwissWell Lubricen Patch – a new generation of the Lubricen Patch, optimised for reduction in the cost of goods, substantially enhanced manufacturing through-put and ease of introduction of new Lubricen product formats to address all the major joints of the body.

## CORPORATE

In April 2022, Paul Peros, the Company's CEO, was appointed as Executive Chairman. Mr. Peros joined the Company in June 2019 and since then his role has transformed from management to one of leadership. As a substantial shareholder in the Company, this appointment also reflects the alignment of Mr Peros' interest in growing the Company and creating value for all shareholders.

During the year under review, the Board underwent a number of changes with the resignations of Messrs Reynolds, Varano and Wright. Mr Eaton, who joined the board in April 2022, also resigned in August 2022.

### R&D Tax Incentive Refund

Wellfully received an R&D Tax Incentive Refund of \$537,408 before costs during the March quarter. The refund stems from R&D activity undertaken across the group during the 2021 financial year.

### Funding activities

Wellfully completed equity raisings during FY22 to support funding activities including technology licensing, business development, the launch of new products, and general working capital, as follows:

- In July 2021 the Company performed an Unmarketable Parcel Sale for 4,205,518 ordinary shares at A\$ 0.0502 for a total of A\$211,117.
- In September and October 2021 the Company issued 3,000,000 fully paid ordinary shares upon conversion of options exercisable at \$0.15 each, raising \$450.
- In October 2021 the Company completed the issue of 38,461,539 fully paid ordinary shares at \$0.13 raising \$5,000,000 before costs.
- In December 2021 the Company issued 1,518,410 fully paid ordinary shares in settlement of \$103,755 expenses.
- In May 2022 the Company completed a placement of 3,600,6000 shares at \$0.08 raising \$288,000.
- In June 2022, the Company completed a share purchase plan issuing 17,156,815 fully paid ordinary shares at \$0.051 for a total of \$847,754, before costs.

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**Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.**

Not applicable – no dividends have been declared or paid during or since the reporting period.

**Details of entities over which control has been gained or lost during the period, including the following:**

Name of entity (or group of entities)	Wellfully Ltd (Ireland)
Date control gained	9-Jul-21

Profit/ (loss) from ordinary activities since the date in the current period on which control was acquired	(24,095)
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Profit/ (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil
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All foreign controlled entities have adopted, or where not possible, have been aligned to international financial reporting standards.

**Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.**

Not applicable.

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### Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2022

	Consolidated (Unaudited)	
	30-Jun-22	30-Jun-21
Revenue and other income	2,599,852	1,203,343
Cost of goods sold	(779,177)	(360,643)
Net foreign exchange gains/ (losses)	625,291	(384,253)
Borrowing costs expensed	-	(23,062)
Depreciation expenses	(181,027)	(85,562)
Administration fees	(244,129)	(397,425)
Auditor's remuneration	(77,389)	(80,437)
Consultants and consultants benefits expenses	(662,558)	(281,950)
Directors and employees benefits expenses	(3,445,540)	(3,400,612)
Freight and courier	(10,262)	(143,364)
Legal costs	(168,660)	(98,142)
Marketing and operations services	(2,470,599)	(988,016)
Materials and requisites	(1,027,718)	(523,058)
Occupancy expenses	(205,464)	(230,223)
Patent and trademark service fees	(19,898)	(121,808)
Product design and trial testing expenses	-	(18,209)
Travel and accommodation	(261,915)	(122,309)
Finance facility establishment fee	(1,009,307)	-
Other expenses	(729,820)	(341,527)
<b>Loss before income tax</b>	<b>(8,068,320)</b>	<b>(6,397,257)</b>
Income tax benefit	-	-
<b>Loss for the Year</b>	<b>(8,068,320)</b>	<b>(6,397,257)</b>
Other comprehensive (loss)/ income	(419,944)	292,939
Total comprehensive loss for the year	(8,488,264)	(6,104,318)
<b>Loss attributable to:</b>		
Members of the parent entity	(8,068,320)	(6,397,257)
<b>Total comprehensive loss attributable to:</b>		
Members of the parent entity	(8,488,264)	(6,104,318)
	<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share (cents per share)	(3.38)	(4.10)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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### Statement of Financial Position as at 30 June 2022

		Consolidated (Unaudited)	
	Note	30-Jun-22	30-Jun-21
<b>Current Assets</b>			
Cash and cash equivalents		317,669	2,725,636
Trade and other receivables		1,394,250	163,365
Inventories		369,919	96,754
<b>Total Current Assets</b>		<b>2,081,838</b>	<b>2,985,755</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		301,220	298,915
Right-of-use asset		272,475	107,388
<b>Total Non-Current Assets</b>		<b>573,695</b>	<b>406,303</b>
<b>Total Assets</b>		<b>2,655,533</b>	<b>3,392,058</b>
<b>Current Liabilities</b>			
Trade and other payables		1,337,973	449,814
Contract liabilities		131,715	276,763
Lease liabilities		93,228	47,513
Borrowings		168,000	154,000
Employee benefits provision		119,977	93,702
<b>Total Current Liabilities</b>		<b>1,850,893</b>	<b>1,021,792</b>
<b>Non-Current Liabilities</b>			
Lease liabilities		170,294	61,655
Other payables		780,140	-
<b>Total Non-Current Liabilities</b>		<b>950,434</b>	<b>61,655</b>
<b>Total Liabilities</b>		<b>2,801,327</b>	<b>1,083,447</b>
<b>Net (Liabilities)/ Assets</b>		<b>(145,794)</b>	<b>2,308,611</b>
<b>Equity</b>			
Issued capital	2	48,128,011	42,552,152
Reserves	3	635,329	597,273
Accumulated losses		(48,909,134)	(40,840,814)
<b>Total Equity</b>		<b>(145,794)</b>	<b>2,308,611</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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### Statement of Changes in Equity for the financial year ended 30 June 2022

Unaudited	Issued capital	Share based payment	CONSOLIDATED Foreign currency translation reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>33,043,514</b>	<b>232,334</b>	<b>(51,322)</b>	<b>(34,443,557)</b>	<b>(1,219,031)</b>
Loss for the period	-	-	-	(6,397,257)	(6,397,257)
Other comprehensive income for the period	-	-	292,939	-	292,939
Total comprehensive income for the period	-	-	<b>292,939</b>	<b>(6,397,257)</b>	<b>(6,104,318)</b>
Issue of shares	10,351,319	-	-	-	10,351,319
Options issued during the period	-	123,322	-	-	123,322
Transaction costs	(842,681)	-	-	-	(842,681)
	<b>9,508,638</b>	<b>123,322</b>	-	-	<b>9,631,960</b>
<b>Balance at 30 June 2021</b>	<b>42,552,152</b>	<b>355,656</b>	<b>241,617</b>	<b>(40,840,814)</b>	<b>2,308,611</b>
<b>Balance at 1 July 2021</b>	<b>42,552,152</b>	<b>355,656</b>	<b>241,617</b>	<b>(40,840,814)</b>	<b>2,308,611</b>
Loss for the period	-	-	-	(8,068,320)	(8,068,320)
Other comprehensive loss for the period	-	-	(419,944)	-	(419,944)
Total comprehensive loss for the period	-	-	<b>(419,944)</b>	<b>(8,068,320)</b>	<b>(8,488,264)</b>
Issue of shares	6,259,959	-	-	-	6,259,959
Share issue costs	(684,100)	-	-	-	(684,100)
Options issued during the period	-	458,000	-	-	458,000
	<b>5,575,859</b>	<b>458,000</b>	-	-	<b>6,033,859</b>
<b>Balance at 30 June 2022</b>	<b>48,128,011</b>	<b>813,656</b>	<b>(178,327)</b>	<b>(48,909,134)</b>	<b>(145,794)</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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### Statement of Cash Flows for the year ended 30 June 2022

		Consolidated (Unaudited)	
	Note	30-Jun-22	30-Jun-21
<b>Cash Flows used in Operating Activities</b>			
Receipts from customers		996,069	631,716
Receipts from research and development tax incentives		414,767	524,409
Receipts from government subsidies		115,126	215,900
Payment to suppliers and employees		(9,755,802)	(6,534,209)
Interest received		-	61
Borrowing costs		(7,050)	(39,759)
<b>Net cash inflow used in operating activities</b>	4	<b>(8,236,890)</b>	<b>(5,201,882)</b>
<b>Cash Flows used in Investing Activities</b>			
Payments for property, plant and equipment		(32,430)	(64,740)
<b>Net cash outflow used in investing activities</b>		<b>(32,430)</b>	<b>(64,740)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from capital raising		6,157,754	8,362,857
Share & Option issue costs		(331,650)	(842,681)
Repayment of lease liabilities		(170,096)	(33,517)
<b>Net cash flows from financing activities</b>		<b>5,656,008</b>	<b>7,486,659</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(2,613,312)</b>	<b>2,220,037</b>
Cash and cash equivalents at the beginning of the period		2,725,636	612,172
Effect of exchange rate fluctuations on cash held		205,345	(106,573)
<b>Cash and cash equivalents at the end of the period</b>		<b>317,669</b>	<b>2,725,636</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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### Notes to the financial statements for the financial year ended 30 June 2022

#### Note 1. Basis of Preparation

It is recommended that the Preliminary Final Statements be read in conjunction with the half yearly financial statements of Wellfully Limited ("the Consolidated Entity") as at 31 December 2021 together with any public announcements made by Wellfully Limited during the year ended 30 June 2022, in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies used in this report are the same as those used in the half yearly financial statements of Wellfully Limited as at 31 December 2021.

#### Going Concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. As disclosed above, the Consolidated Entity incurred a loss of \$8,068,320 (2021 net loss of \$6,397,257) and had net cash outflows from operating activities of \$8,236,890 for the year ended 30 June 2022 (2021 net outflow of \$5,201,882). The Group also had a net liability position at 30 June 2022 of \$145,794 (2021 net asset position of \$2,308,611).

Based on the Group's cash flow forecast, the Consolidated Entity will need to access additional working capital in the next 12 months to advance its planned operations and to ensure the realisation of assets on an orderly basis and the extinguishment of liabilities as and when they fall due.

The directors are confident that the Consolidated Entity will be successful in raising additional funds through the issue of new equity, or through additional borrowings, should the need arise. The directors are also aware that the Consolidated Entity has the option, if necessary, to defer expenditure or relinquish certain expenditures and reduce administration costs in order to minimise its capital raising requirements.

Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Company be unsuccessful in raising additional funds through the issue of new equity or through additional borrowings, there is a material uncertainty which may cast significant doubt whether the Consolidated Entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

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### Note 2. Issued Capital

#### Issued capital

	Consolidated	
	30 June	30 June
	2022	2021
	\$	\$
270,560,230 fully paid shares (2021: 209,820,466)	48,128,011	42,552,152

#### Movements in ordinary share capital

Date	Details	Number of shares	Issue Price	\$
1/07/2021	Opening balance	209,820,466		42,552,152
23/09/2021	Conversion of options	1,000	0.150	150
29/09/2021	Conversion of options	1,000	0.150	150
21/10/2021	Capital raising	38,461,539	0.130	5,000,000
27/10/2021	Conversion of options	1,000	0.150	150
29/12/2021	Shares issued in lieu of fees	1,068,160	0.071	75,839
29/12/2021	Shares issued in lieu of fees	450,250	0.062	27,916
12/05/2022	Placement	3,600,000	0.080	288,000
3/06/2022	Capital raising	17,156,815	0.051	867,754
	Less: transaction costs arising on share issues			(684,100)
30/06/2022	<b>Closing balance</b>	<b>270,560,230</b>		<b>48,128,011</b>

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### Note 3. Reserves

#### Composition

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Foreign currency translation reserve	(178,327)	241,617
Share-based payments reserve	813,656	355,656
	<u>635,329</u>	<u>597,273</u>

#### Movements in options were as follows:

Date	Details	Number of options		Fair value of options issued \$	Exercise price \$	Expiry date
		Listed	Unlisted			
1/07/2021	Opening balance	154,986,434	6,150,000	355,656		
23/09/2021	Conversion	(1,000)	-	-	0.15	31/03/2023
29/09/2021	Conversion	(1,000)	-	-	0.15	31/03/2023
27/10/2021	Conversion	(1,000)	-	-	0.15	31/03/2023
29/12/2021	Listed options in lieu of fees	2,000,000	-	40,000	0.15	31/03/2023
29/12/2021	Listed options in lieu of fees	2,000,000	-	34,000	0.15	31/03/2023
23/02/2022	Listed options to lead manager	20,000,000	-	354,000	0.20	23/02/2024
23/02/2022	Free attaching listed options for shareholder	12,820,513	-	-	0.20	23/02/2024
2/03/2022	Listed options in lieu of fees	3,000,000	-	30,000	0.15	31/03/2023
30/06/2022	Closing balance	<u>194,803,947</u>	<u>6,150,000</u>	<u>813,656</u>		

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### Note 4. Notes to the Statement of Cash Flows

	Consolidated	
	30 June 2022 \$	30 June 2021 \$
<b>Reconciliation of net cash and cash equivalents used in operating activities to loss for the year:</b>		
Loss for the year	(8,068,320)	(6,397,257)
Borrowing costs expensed/(written off)	1,017,770	23,062
Depreciation	181,027	85,562
Employee benefits provisions	26,275	3,468
Foreign exchange movements	(625,291)	242,327
Administrative fee, directors fee and salary paid via shares	207,755	1,108,605
<b>Movements in assets and liabilities:</b>		
Trade and other receivables	(1,230,885)	119,695
Inventories	(273,165)	(96,754)
Trade and other payables	672,992	(363,995)
Contract liabilities	(145,048)	73,405
<b>Net cash used in operating activities</b>	<b>(8,236,890)</b>	<b>(5,201,882)</b>

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### Note 5. Segment Information

The Consolidated Entity has considered the requirements of AASB8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

#### Consolidated – 30 June 2022

The Consolidated Entity operates in two segments which are development of the dermaportation drug delivery technology and devices segments.

2022	Dermaportation and drug delivery technology \$	Devices \$	Total \$
<b>Revenue</b>			
Revenue and Royalties	250,360	1,812,004	2,062,364
Interest revenue	-	79	79
Government grants and subsidies	414,788	122,620	537,408
Net foreign exchange gains	9,413	615,878	625,291
<b>Total revenue</b>	<b>674,561</b>	<b>2,550,581</b>	<b>3,225,142</b>
<b>EBITDA</b>	<b>(2,709,679)</b>	<b>(5,162,135)</b>	<b>(7,871,814)</b>
<b>Expenses</b>			
Depreciation and amortisation	(83,934)	(97,093)	(181,027)
Interest revenue	-	79	79
Finance costs written off	(812)	(14,746)	(15,558)
Intersegment eliminations	-	-	-
<b>Total expenses</b>	<b>(84,746)</b>	<b>(111,760)</b>	<b>(196,506)</b>
<b>Loss before income tax</b>	<b>(2,794,425)</b>	<b>(5,273,895)</b>	<b>(8,068,320)</b>
Income tax	-	-	-
<b>Loss after income tax</b>	<b>(2,794,425)</b>	<b>(5,273,895)</b>	<b>(8,068,320)</b>
<b>Assets</b>			
Segment assets	12,699,000	2,119,689	14,818,689
Intersegment eliminations	-	-	(12,163,156)
<b>Total Assets</b>	<b>12,699,000</b>	<b>2,119,689</b>	<b>2,655,533</b>
<b>Liabilities</b>			
Segment liabilities	(1,495,346)	(13,842,801)	(15,338,147)
Intersegment eliminations	-	-	12,536,820
<b>Total Liabilities</b>	<b>(1,495,346)</b>	<b>(13,842,801)</b>	<b>(2,801,327)</b>

## Appendix 4E

### Note 5. Segment Information (continued)

Segment revenues are allocated based on the country in which the customer is located. Operating revenues of \$1,261,537 or 56% are derived from a single external party. Segment assets are allocated to countries based on where the assets are located.

2021	Dermaportation and drug delivery technology \$	Devices \$	Total \$
<b>Revenue</b>			
Revenue and Royalties	222,976	239,997	462,973
Interest revenue	-	61	61
Government grants and subsidies	740,309	-	740,309
Net foreign exchange (losses)/ gains	(388,431)	4,178	(384,253)
<b>Total revenue</b>	<b>574,854</b>	<b>244,236</b>	<b>819,090</b>
<b>EBITDA</b>	<b>(2,700,844)</b>	<b>(3,587,850)</b>	<b>(6,288,694)</b>
<b>Expenses</b>			
Depreciation and amortisation	(31,757)	(53,805)	(85,562)
Interest revenue	-	61	61
Finance costs written off	(10,531)	(12,531)	(23,062)
Intersegment eliminations	-	-	-
<b>Total expenses</b>	<b>(42,288)</b>	<b>(66,275)</b>	<b>(108,563)</b>
<b>Loss before income tax</b>	<b>(2,743,132)</b>	<b>(3,654,125)</b>	<b>(6,397,257)</b>
Income tax expense			
<b>Loss after income tax</b>	<b>(2,743,132)</b>	<b>(3,654,125)</b>	<b>(6,397,257)</b>
<b>Assets</b>			
Segment assets	9,312,343	600,722	9,913,065
Intersegment eliminations			(6,521,007)
<b>Total Assets</b>	<b>9,312,343</b>	<b>600,722</b>	<b>3,392,058</b>
<b>Liabilities</b>			
Segment liabilities	7,214,243	5,956,782	13,171,025
Intersegment eliminations			(12,087,578)
<b>Total Liabilities</b>	<b>7,214,243</b>	<b>5,956,782</b>	<b>1,083,447</b>

Segment revenues are allocated based on the country in which the customer is located. Operating revenues of \$191,495 or 41% are derived from a single external party. Segment assets are allocated to countries based on where the assets are located.

## Appendix 4E

### Note 6. Contingent Assets and Liabilities

The directors of the Company are unaware of any existing contingent assets and liabilities, other than the contingent liability matter regarding the Company being served with a writ over a Convertible Note, as previously announced to the market. The Company has retained legal representation for the active defence of the matter, to which mediation continues.

### Note 7. Subsequent Events

The Company entered into loan agreements with Paul Peros (CEO and Executive Chairman) and Brand Laboratories FZ, a company associated with Steven Schapera (Director), on 7 July 2022 and 9 August 2022 respectively whereby the parties advanced US\$70,000 and EUR70,000 respectively to the Company. The terms of these loans include:

- A repayment term of 30 days or less, but in any event as soon as possible after the Company complete a rights issue or similar fundraising;
- Interest at 16.5% per annum, calculated monthly, and foreign exchange risk to remain with the Company;
- The interest rate increasing by 1% for each month repayment is delayed, capped at 21.5%;
- A facility setup fee of 2.5% payable by the Company to the lender; and
- The remaining terms are similar to those normally associated with such loans.

On 31 August 2022 the Company announced that it had entered into a convertible loan facility agreement with Celtic Capital Pty Ltd who agreed to advance \$200,000 to the Company. Under the terms of the Loan Facility Agreement, the Company is afforded the ability to settle any funds drawn by either converting outstanding amounts into ordinary shares in the Company, or by payment in cash.

Settlement via conversion to shares is subject to the Company completing a capital raise of at least \$2m within 3 months of the drawdown date and the Company obtaining shareholder approval to issue such conversion shares. The conversion price is set to be determined as 90% of the issue price of any shares issued under such a capital raise.

If settlement occurs other than through conversion into ordinary shares, a fee of \$20,000 will be payable. The Company will also become liable for interest at the rate of 15% if certain default events occur.