

## WELLFULLY PLACEMENT AND DEBT RESTUCTURE

Wellfully Limited (ASX: WFL) (**Wellfully** or the **Company**) is pleased to announce a capital raise and debt restructure of up to \$2.3 million via commitments from s708 clients of CPS Capital (**Placement**) and conversion of debt into shares (**Debt Restructure**).

With this Placement, Wellfully is seeking to secure resources needed to:

1. Fund the insourcing of the patch production at its Swiss operations facility in order to:
  - Decrease costs of the SWISWELL Lubricen Knee Patch from US\$ 1.50 to US\$ 0.50 and increase gross margins from 54% to 85%,
  - Use this new competitiveness in order to increase B2B sales and access a larger, mainstream market segment,
  - Improve production capacity, and product availability, by significantly reducing sourcing and production lead times.
2. Support the continuation of the commercial development of its brands and industry collaborations.
3. Provide the working capital needed to maintain the current top line growth trend.

The Placement is proposed to sophisticated and professional investors utilising the Company's placement capacities under ASX Listing Rules 7.1 to raise up to \$2,346,922 before costs. The Placement will comprise of a maximum issue of up to 106,678,275 shares at \$0.022 per share (**Placement Shares**). The Company obtained shareholder approval at its General Meeting held on 27 September 2022 to raise up to \$3m and will be utilising this approval under Listing Rule 7.1 for the Placement.

In addition, the Company intends to seek shareholder approval under ASX Listing Rule 7.1 for the issue of 1 free attaching option for every 1 Placement shares subscribed for, exercisable at \$0.033 each on or before 24 months from the date of issue (**Free attaching Options**). The Free attaching Options are intended to be quoted on ASX, subject to meeting the relevant ASX requirements, and offered pursuant to a prospectus to be issued by the Company.

**Directors**  
Mr Paul Peros  
Mr Steven Schapera  
Mr Jeffrey Edwards

**CEO**  
Mr Paul Peros  
**Company Secretary**  
Mr Henko Vos

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As part of the fundraise, the Company has also agreed to convert certain debt into shares, as follows:

1. As announced on 31 August 2022 the Company entered into and utilized a Loan Facility Agreement with Celtic Capital Pty Ltd. It has been agreed that the funds advanced of \$200,000 under the agreement will form part of the Placement and will convert into 10,101,000 ordinary shares in full and final settlement. The conversion will be made using the relevant Listing Rule 7.1 approval received at the Company's General Meeting held on 27 September 2022. The conversion will result in Celtic Capital Pty Ltd also receiving Free attaching Options.
2. On 7 July 2022 Mr Paul Peros advanced US\$70,000 to the Company. It has been agreed that the funds advanced under the loan will form part of the Placement and will convert into 5,002,842 ordinary shares in settlement of the loan balance of A\$110,063 as at 10 October 2022. The conversion will be subject to shareholder approval under Listing Rule 10.11. The conversion will result in Mr Paul Peros also receiving Free attaching Options.
3. The Company has also reached agreement with Mr Paul Peros to settle \$89,937 of outstanding remuneration via the issue of 4,088,068 shares, at the same price as other Placement Shares. The conversion will be subject to shareholder approval under Listing Rule 10.11. The conversion will result in Mr Paul Peros also receiving Free attaching Options.

A notice of meeting will be provided to shareholders in due course to convene a shareholder meeting.

WFL Chairman Paul Peros said: "This capital raising will provide WFL with a renewed foundation to pursue its growth objectives and also significantly decreases the Company's liabilities in a cash effective manner."

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

The Lead Manager will be paid a management fee of 2% and a placing fee of 4% of the total gross proceeds of the Placement. In addition, in connection with the Capital Raising the Lead Manager is entitled to (i) be issued 15 million options at \$0.0001 per option (on the same terms as the Free attaching Options) (or to its nominee), and (ii) be paid a monthly corporate advisory fee of \$5,000 (excluding GST) for 12 months.

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

## 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.

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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 Mistung 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 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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