

SEPTEMBER 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 September 2021.

- **Cash receipts from customers have increased to A\$695k for the quarter, up by +152% from A\$276k last quarter, and surpassing the FY2021 12-month total of A\$582k by 19%**
- **Successfully launched SWISSWELL® health and wellness brand in August, beginning with the innovative Lubricen® Knee Patches**
- **Finalized commissioning of all key infrastructure capabilities across both production facilities in Switzerland and China**
- **Completed and received payment for Phase 1 of the Bork Russia collaboration**
- **Completed \$5 million Placement to new and existing institutional, family office, sophisticated and professional investors, now securely placed to build further revenue and marketing initiatives across both brands**

OPERATIONS

In Q1 FY2022, the Company initiated operations and successfully scaled its recently developed infrastructures in China and Switzerland through new commercial activities and collaborations.

The positive momentum of growing Wellfully's own-brand business beyond the legacy licensing model has continued through the period, with own-brand product and OEM brand sales responsible for the majority of the cash received from operations.

RÉDUIT

The establishment of Wellfully's robust vertically integrated operations enabled the Company to shift its focus in the September quarter to enhancing RÉDUIT's marketing initiatives.

Engagement with influencers, key opinion leaders and traditional media organisations continues to build valuable brand awareness, resulting in direct-to-consumer conversion through RÉDUIT's new online platform.

In parallel, B2B collaborations continue to strengthen, with RÉDUIT available in 10 retail operators across eight jurisdictions. Of note, during the quarter, Wellfully stocked warehouses of key marketplace partners in preparation for high volume sales events, Singles Day (11 November) and Black Friday (26 November), as well as the upcoming holiday season.

Directors

Mr Antonio Varano
Mr Steven Schapera
Mr Jeffrey Edwards
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As announced (ASX Release: 21 Sept 21), Wellfully delivered its RÉDUIT based technology to BORK, which hosts a retail network consisting of 130 owned stores, ten prominent third-party retailers and 350,000+ direct consumers. The products were completed and shipped per the initial schedule, finalising the first tranche (~A\$750k) of the A\$2.0M total anticipated contract value.

Over the coming quarters, management is focused on accelerating the commercialisation of RÉDUIT, with the goal to double the current number of third-party retailers and active jurisdictions. Positive feedback from the recently attended Beautyworld Middle East in Dubai has reinforced confidence in these targets, and the Company looks forward to updating the market as opportunities develop.

In technology and product development, the existing RÉDUIT range will see new products in 2022 that span both devices and traditional topical products. The RÉDUIT One, Spa and Uni families will be expanded with a universal applicator device, designed to enhance the delivery and performance of any 3rd-party brand of skincare products. At the same time, Wellfully will also be launching the world's first enhanced delivery sunscreen based on its newly awarded in-situ separation of mixtures technology patent.

SWISSWELL

In August Wellfully launched its breakthrough, drug-free pain solution, SWISSWELL and its first product line, the Lubricen Knee Patch. This important milestone was reached after six years of diligent development and clinical validation.

The Company is pleased to announce that the soft launch of SWISSWELL exceeded expectations, with excellent consumer feedback and strong consumer engagement. With it, Wellfully now has two consumer brands covering both premium beauty and health and wellness markets; combined, these total more than US\$500B* in market size.

Going forward, Wellfully plans to progressively enhance SWISSWELL's sales and marketing initiatives, initially focused on building direct-to-consumer channels and brand awareness, followed by B2B collaborations.

GLOBAL COLLABORATIONS

Wellfully's infrastructure, technology and product platforms remain highly attractive to global partners in healthcare and beauty. The Company is pleased to confirm that these collaborations (technology licensing & joint development projects), which are currently bound by non-disclosure agreements, continue to progress.

The Company looks forward to updating the market with further information if and when these projects materialise into disclosable commercial agreements.

KEY APPOINTMENTS

During the period, Ivo Parac was appointed as the new Creative Director. Mr Parac is a

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seasoned beauty journalist and beauty editor with over 20 years of experience in renowned publications such as Elle, the world's largest fashion magazine, and Hearst's Cosmopolitan magazine. An expert in communications and passionate about the beauty sector, Ivo will be responsible for content creation as well as connecting Wellfully's brands with consumers and trends. In addition to a degree in French literature and civilisation, Ivo Parac is also an academic musician.

In addition, Mrs Gloria Galli has joined Wellfully as operations manager in charge of the new Swiss facility. Gloria comes with a rich background in process and quality management, and operations in the pharmaceutical and healthcare industries. With a Bachelor's degree in Biomedical Engineering, a Master in Mechanical Engineering and an MBA from the Milano Polytechnical, she is well equipped to cover a wide spectrum of execution realities in product and process design. Being a hands-on person and a technology enthusiast, she is also a FIA-certified technical verifier.

SUBSEQUENT EVENTS – OVERSUBSCRIBED PLACEMENT RAISES \$5 MILLION

During October Wellfully completed a successful placement to new and existing institutional, family office, sophisticated and professional investors. The Placement raised \$5 million (before costs) through the issue of 38.4 million shares at \$0.13 per share, a discount of ~18% to the 20-day VWAP. Placement participants received one (1) free attaching option (\$0.20 strike price and 2-year expiry) for every three (3) shares subscribed for. The proceeds from the Placement will facilitate the advancement of the following activities:

1. RÉDUIT marketing and sales initiatives
 - Consumer engagement via enhanced marketing (influencer, key opinion leader (KOL) and media engagement)
 - Execution of new B2B collaborations in new and existing jurisdictions
2. Development and launch of new devices
 - Completion and launch of RÉDUIT Active Sunscreen and Boost Applicators
3. Global roll-out of SWISSWELL Lubricen pain patches
 - Initiation of marketing activities and engagement with potential collaborators
4. Global licensing, ODM and OEM collaborations
 - The continued progression of the Company's collaborations with global partners

INVESTOR WEBINARS

Wellfully CEO Paul Peros held a webinar to investors and interested parties on 23 September 2021. A replay of the session can be viewed at the following link:

https://us02web.zoom.us/webinar/register/WN_7RMr8ilwRqmiShIUguTVuw

*Source: <https://www.marketwatch.com/press-release/pain-relief-patches-market-size-in-2021-78-cagr-with-top-countries-data-research-high-demand-share-industry-analysis-by-top-manufactures-growth-insights->

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[and-forecasts-to-2026-2021-08-09](#) ; <https://www.researchandmarkets.com/reports/5338124/global-beauty-and-personal-care-market-by> ; <https://www.psmarketresearch.com/market-analysis/beauty-devices-market>

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 commercialised 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.

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.

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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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