

Dear Shareholders,

With this letter I would like to review some of our activities in 2020 and share more with you regarding the Company's plans and strategy for 2021.

Over the past 12 months we executed on several significant firsts for WELLFULLY:

- The development and production of the first of our own beauty products.
- The launch of RÉDUIT, the Company's first consumer brand.
- Establishment of our competence centres in Asia and Europe giving us complete control on research, design, development, and manufacture of products.
- Secured IP protection for our Magneto-wetting technology by filing patents as final specification under the International PCT system.

I think it would be fair to say these achievements would be impressive in any year, but they are all the more impressive given the difficult external conditions during the COVID-19 crisis, which has impacted upon everything from day-to-day operations to our international supply-chain, and most critically upon retail and direct distribution activities.

Through 2020, WELLFULLY has used its agility and international footprint to respond to each of these challenges:

- Haircare manufacturing was swiftly moved to the Dongguan centre.
- R&D activities were expanded in Australia during the lock-down in China, and then moved back to Asia when Australia struggled with COVID-19.
- The RÉDUIT commercialisation focused on digital markets and those retail formats that were less impacted by the crisis.

Looking forward, the Company remains ambitious in terms of operations activities planned for the year:

- We are in the final phase of completing the innovation centre in Switzerland, which is focused on development and production of health and beauty products.
- The SWISSWELL brand will be introduced with the launch of the Lubricen (Bodyguard) product line of enhanced delivery medical patches. Filing of a TGA application for market clearance is imminent, while the comprehensive data submitted for this application will be useful for similar submission in other countries.
- We also plan to launch our hygiene products, as well as the achievement of important development milestones in enhanced delivery of cannabinoid technologies.

Commercial business goals for 2021 are focused on developing top line growth for the Company:

- The WELLFULLY Ambassador program, a novel network of micro-influencers, has been created. The program allows for additional market access and sales opportunities while minimising exposure to the COVID-19 impacted retail infrastructures; at the same time, it offers attractive business opportunities to industry resources and professional talent adversely impacted by the crisis. This platform will serve all brands and product lines of the Company.
- Several industry collaboration projects relying on existing technologies and products developed in 2019 and 2020, are in negotiation with strategic partners beyond P&G.
- The existing direct channel sales and retailer collaborations will proceed with new placements. While retail placements are important for brand visibility, they are carefully selected in order not to expose the Company to risks related to COVID-19 restrictions.

As a fully integrated, science-based wellness company, we are confident we are able to continue to find superior competitive solutions in the current environment and proceed with the development of the key infrastructures through 2021.

Thank you, the loyal shareholders of our Company, for your continued support and we look forward to providing regular updates on our operational progress over the course of the year.

Regards,

Antonio Varano

## 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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**Directors**  
Mr Antonio Varano  
Mr Steven Schapera  
Mr Jeffrey Edwards  
Mr Cameron Reynolds

**CEO**  
Mr Paul Peros

**Company Secretary**  
Mr John Palermo

**Registered Office**  
284 Oxford Street  
Leederville  
Western Australia  
6007

**Contact**  
Tel: +61 8 9443 3011  
[www.wellfully.net](http://www.wellfully.net)  
[www.obj.com.au](http://www.obj.com.au)  
ABN: 72 056 482 636

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.

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.

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For more information:

Matthew Wright  
[matt@nwrcommunications.com.au](mailto:matt@nwrcommunications.com.au)  
Phone: +61 451 896 420