

Appendix 4D

Half-Year Consolidated Financial Report

Name of Entity	WELLFULLY LIMITED
ABN	72 056 482 636
Financial Period Ended	31 DECEMBER 2020
Previous Corresponding Reporting Period	31 DECEMBER 2019

Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue	340	Down (2%)
Loss for the period	(3,273)	Up 177%
Loss attributable to members of the parent entity	(3,273)	Up 177%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer to the Review of Operations section of the Directors' Report included.		

The half-year consolidated financial report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.0083	\$0.0005

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer to the Review of Operations section of the Directors' Report included.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:

Refer to the Statement of Profit or Loss and Other Comprehensive Income included.

Returns to shareholders including distributions and buy backs:

N/A

Significant features of operating performance:

Refer to the Review of Operations section of the Directors' Report included.

The results of segments that are significant to an understanding of the business as a whole:

N/A

Discussion of trends in performance:

Refer to the Review of Operations section of the Directors' Report included.

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

N/A

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control ('\$000)	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period ('\$000)	N/A

Details of Associates and Joint Venture Entities


Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
N/A				
Aggregate Share of Net Profits				

Audit/Review Status

This half-year consolidated financial report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	X
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
N/A			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Consolidated Financial Report

Signed By (Director)	
Print Name	Jeffrey Edwards
Date	27 th February 2021

WELLFULLY LIMITED
A.B.N. 72 056 482 636

DIRECTORS' REPORT

The directors present their consolidated financial statements on the results of Wellfully Limited and its controlled entities for the financial half-year ended 31 December 2020.

Directors

The names of directors in office at any time during or since the end of the period are:

Mr Antonio Varano Della Vergiliana
Mr Steven Lorn Schapera
Mr Jeffrey David Edwards
Mr Cameron Reynolds

Operating Result

The net consolidated loss of the Consolidated Entity after providing for income tax amounted to \$3,272,623 (31 December 2019: loss of \$1,180,406).

Principal Activities

The principal activities of the Consolidated Entity during the financial half-year ended 31 December 2020 were research and development for its Magnetic Enhanced transdermal drug delivery technologies, as well as progressing the RÉDUIT Magnetic Misting Technologies and Lubricen product lines.

There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial half-year other than those referred to in the Review of Operations.

Review of Operations

Device Business

The Company announced the launch of RÉDUIT's skincare range in August. The RÉDUIT brand was established in Neuchâtel, Switzerland, specifically to commercialise Wellfully's enhanced drug delivery technologies in the luxury beauty space. It launched the RÉDUIT Spa applicator device and two Skinpods™: Clean Vapor and Hydro Boost, a cleanser and a moisturizer, with 10 additional Skinpods™ launched through September 2020 and October 2020.

Skincare represents the next frontier of applications for RÉDUIT's Ultrasonic Diffusion and Magnetic Misting technologies, which originated from the Company's enhanced drug deliveries portfolio.

In addition to sales on RÉDUIT's own site, and several global marketplaces, the Company negotiated placements of the new products with international retailers.

In September 2020, Wellfully announced it had agreed to supply terms for and launch its RÉDUIT brand with The Hut Group (THG), one of the world's most reputable beauty ecommerce operators, enabling RÉDUIT to continue its market expansion and growth strategy. The alliance exposes the RÉDUIT brand to THG's e-commerce network covering market-leading platforms such as lookfantastic.com, hqhair.com, skinstore.com and ry.com.au, with a consumer reach of more than 12 million¹ premium beauty visitors per month across the globe.

¹ similarweb.com, September 2020

WELLFULLY LIMITED
A.B.N. 72 056 482 636

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Device Business (continued)

With revenues of approximately GBP1.14 billion², THG is one of the largest beauty e-commerce operators globally with a substantial expertise in the device and beauty technology category.

THG completed a £1.88 billion IPO and listed on the London Stock Exchange on 16 September 2020.

In addition to this agreement, Wellfully announced it had signed a content partnership for its RÉDUIT brand with one of the world's most reputable fashion and celebrity brands, Victoria Beckham. The alliance saw RÉDUIT as the official hair tech partner for the Victoria Beckham Spring Summer 2021 Collection Presentation at London Fashion Week, held 18-22 September 2020. The partnership allowed backstage content creation whereby RÉDUIT One Gold devices and the LED Hairpod™ collection was used by celebrity hair stylist, Paul Hanlon, to prepare models before the runway. This content was used to drive social media engagement globally, and a public relations campaign to earn media in tier one publications.

In October, Wellfully completed its scheduled release of 20 launches in 20 weeks for RÉDUIT.

Bodyguard

Bodyguard prepared for a commercial launch of the Lubricen™ knee patch in selected geographies.

Registration with the relevant authorities as a medical device is in its final stages and the Wellfully marketing team is developing all the necessary assets for a successful launch of the eCommerce business. The period has also seen a focus on product optimisation in order to sustain superior market claims, meet regulatory requirements and achieve a favourable cost of goods targets. The initial eCommerce launch is intended to validate manufacturing supply chain and fulfilment logistics before expanding to other geographies and sales channels.

Procter & Gamble (P&G) Partnership

The Company's partnering relationship continued with the completion of two new work plan developments.

The first involved the design and development of a new skincare device based on the Company's Programmable Array technologies.

The second work plan involved the research and development of a new magnetic microarray for the enhanced delivery of skin care actives during shaving.

In December 2020, the Company completed negotiations with P&G to allow Wellfully to use its Magnetic Microarray and Powered Array technologies in its own products on a royalty free basis, allowing the Company to use previously licensed technologies in Wellfully developed products in all application areas. The agreement also provides Wellfully with the ability to make strong skin penetration claims in its skincare and haircare products that were previously exclusive to P&G.

² thg.com, June 2020

WELLFULLY LIMITED
A.B.N. 72 056 482 636

DIRECTORS' REPORT (*continued*)

Review of Operations (*continued*)

Partnership with Dolce Cann Global

Wellfully announced its collaboration with NSW-based Dolce Cann Global (Dolce) to develop cannabinoid patch, applicator applied and aerosol products using its patented drug delivery systems. Dolce has developed specific proprietary strains of cannabis which have recently seen positive in vitro testing using human derived cell lines to analyse the bio-efficacy on key Dolce cannabis strains.

Wellfully is partnering with Dolce to research the applications and use of Wellfully's technology to deliver cannabinoid therapy through transdermal, oral, buccal and pulmonary routes. The collaboration will focus on development of cannabinoid applications containing the novel Dolce cannabinoid strains to treat inflammatory disorders, neuro-degeneration, arthritis, rosacea, muscle recovery and damage, as well as cosmeceutical and skin care products.

Surface Hygiene

The Company's Surface Hygiene work joined the RÉDUIT Haircare and Skincare programs under the Magneto-Misting technology platform.

While many mist-making and spray devices are employed in domestic and industry disinfection, their inability to monitor hygiene critical functions during use results in generally poor compliance with FDA and EU food and surface disinfection standards.

Wellfully's R&D and Innovations Group aims to create an intelligent architecture that can monitor all aspects of disinfection automatically, and by doing so, become the first range of portable household and industrial disinfection products to claim compliance with these strict international hygiene standards.

The Company is developing RÉDUIT Uni devices that will provide a low cost, pocket / purse-sized portable personal hygiene platform. This highly portable personal hygiene system will use RÉDUIT Pods, containing the World Health Organization's (WHO) recommended surface hygiene formulations as well as an Electrolyzed Acid Water system for very low environmental impact.

Research & Development

The Research and Innovation team is developing robust sensor systems for the Company's Hygiene devices. The team is researching Evanescent Wave attenuation as well as the more conventional Oxidation Reduction Potential (ORP) which measures the rate of oxidative disinfection. These are both challenging programs due to the hostile nature of the working environment.

The increasing global interest in buccal and inhalation drug delivery for the treatment of COVID-19 and other chronic respiratory conditions led the team to explore potential opportunities in the nebulizer field for the Company's misting technologies. Through the team's previous experience in areas such as personalisation and smart phone connectivity, it has been able to quickly adopt solutions for secure prescriptions, compliance monitoring, in-field programmability, peer to peer authentication and auto-activation, all of which pose considerable technical barriers for existing propellant or dry powder nebulizers.

WELLFULLY LIMITED
A.B.N. 72 056 482 636

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Research & Development (continued)

Considerable progress was achieved in the development of auto-activated dose triggering for Nebulizer applications of the RÉDUIT Magnetic Misting technology. This remains an unmet medical need in buccal and pulmonary treatments. The team made significant progress in developing an electronic breath rate flow detection system that can be readily added to the RÉDUIT circuits for automated triggering of the Magneto-misted medication at the point of maximum inhalation velocity.

Intellectual Property

The Company received the Letters of Patent Deed certificate for the Method and Device for Transdermal Delivery of Substances from the European Patent Office. This patent relates to the Company's Programmable Array technology and claims the programmable architecture that combines personal skin data with location specific data that effects a person's skin. The European Patent is valid until 2032.

This completed the patent program for this technology, having achieved patent protection in Australia, Europe, USA and Japan.

Wellfully was also granted a US Patent for the technology titled Methods for In Situ Separation of Mixtures, which enables the separation of emulsion components at the point of delivery, solving a key limitation of emulsion products across a multitude of health, beauty, wellness and industrial coating applications.

IP development work is currently focused on Patents of Selection opportunities within the Magnetic Misting Platforms.

Corporate

Entitlement Offer Completed

In August 2020, the Company announced the successful completion of a non-renounceable pro-rata entitlement offer to raise up to \$3,016,000 before costs (Entitlement Offer).

Shareholders were offered one (1) new share for every three (3) shares held at the record date, at an issue price of \$0.10 per share. The Company received acceptances for 11,220,018 new shares, raising approximately \$1,122,002. This represented 37% of all new shares offered, leaving a shortfall of 18,939,982 new shares.

CPS Capital Group Pty Ltd was Lead Manager of the Entitlement Offer and the Company's \$1.5 million Share Placement.

Proceeds from Entitlement Offer and Placement are being used for technology licensing business development, BodyGuard go-to-market activities, device division development and redemption of the Convertible Notes, as well as general working capital.

WELLFULLY LIMITED
A.B.N. 72 056 482 636

DIRECTORS' REPORT (*continued*)

Review of Operations (*continued*)

Corporate (*continued*)

Placement Oversubscriptions

The Company accepted oversubscriptions to its \$1.5 million placement completed in July 2020 for a further 635,351 fully paid ordinary shares at A\$0.10 per share to raise approximately \$63,535 before costs.

Change of Company Name

In September 2020, the Company changed its name from OBJ Limited to Wellfully Limited as part of a rebranding aligning with the focus and activities of the business moving forward. The Company's ASX code changed to WFL as of 15 September 2020.

Auditor's Independence Declaration

In accordance with the Auditor's Independence requirements of the Corporations Act 2001, the directors have received and are satisfied with the "Auditor's Independence Declaration" provided by Wellfully Limited's auditor, RSM Australia Partners. The Auditor's Independence Declaration is included within this consolidated financial report.

Signed in accordance with a resolution of the board of directors pursuant to section 306(3)(a) of the Corporations Act 2001.



Jeffrey Edwards
Director

Dated this 27th day of February 2021

RSM Australia Partners

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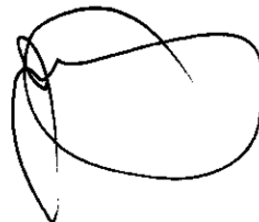
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Wellfully Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



JAMES KOMNINOS
Partner

Perth, WA
Dated: 27 February 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	31 Dec. 2020	31 Dec. 2019
	\$	\$
Revenue and royalties	339,636	347,573
Government grants	703,309	776,675
Interest revenue	--	6,445
Net foreign exchange (losses)/gains	(368,525)	31,884
Bad debt written off	--	(52,781)
Borrowing costs	(13,276)	(7,003)
Depreciation expenses	(34,491)	(27,209)
Administration fees	(347,400)	(296,874)
Auditor's remuneration	(25,599)	(18,250)
Consultants and consultants benefits expenses	(38,587)	(361,388)
Directors and employees benefits expenses	(1,907,584)	(888,484)
Legal costs	(41,291)	(122,886)
Marketing and operations services	(460,904)	(25,609)
Materials and requisites	(618,896)	(96,996)
Occupancy expenses	(64,871)	(86,548)
Patent and trademark service fees	(85,342)	(99,966)
Product design and trial testing expenses	(11,611)	(7,954)
Travel and accommodation	(58,775)	(96,956)
Other expenses	(238,416)	(154,079)
Loss before income tax	(3,272,623)	(1,180,406)
Income tax expense	--	--
Loss for the period	(3,272,623)	(1,180,406)
Other comprehensive income/(loss)	431,366	(122,322)
Total comprehensive loss for the period	(2,841,257)	(1,302,728)
Loss attributable to:		
Members of the parent entity	(3,272,623)	(1,180,406)
Total comprehensive loss attributable to:		
Members of the parent entity	(2,841,257)	(1,302,728)
	Cents	Cents
Basic and diluted losses per share (cents per share)	(2.49)	(0.07)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	31 Dec. 2020 \$	30 Jun. 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		983,205	612,172
Trade and other receivables		743,016	271,193
TOTAL CURRENT ASSETS		<u>1,726,221</u>	<u>883,365</u>
NON CURRENT ASSETS			
Plant and equipment		435,785	308,181
TOTAL NON CURRENT ASSETS		<u>435,785</u>	<u>308,181</u>
TOTAL ASSETS		<u>2,162,006</u>	<u>1,191,546</u>
CURRENT LIABILITIES			
Trade and other payables		433,899	1,072,068
Contract liabilities		130,989	203,358
Lease liabilities		61,198	28,635
Borrowings		154,000	1,007,053
Employee benefits provision		84,297	90,234
TOTAL CURRENT LIABILITIES		<u>864,383</u>	<u>2,401,348</u>
NON CURRENT LIABILITIES			
Lease liabilities		84,007	9,229
TOTAL NON CURRENT LIABILITIES		<u>84,007</u>	<u>9,229</u>
TOTAL LIABILITIES		<u>948,390</u>	<u>2,410,577</u>
NET ASSETS/(LIABILITIES)		<u>1,213,616</u>	<u>(1,219,031)</u>
EQUITY			
Issued capital	2	38,317,418	33,043,514
Reserves	3	612,378	181,012
Accumulated losses		(37,716,180)	(34,443,557)
TOTAL EQUITY/(DEFICIENCY)		<u>1,213,616</u>	<u>(1,219,031)</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2019	33,043,514	232,334	--	(30,730,440)	2,545,408
Loss after income tax expense for the period	--	--	--	(1,180,406)	(1,180,406)
Exchange differences on translation of foreign operations	--	--	(122,322)	--	(122,322)
Total comprehensive loss for the period	--	--	(122,322)	(1,180,406)	(1,302,728)
Balance at 31 December 2019	33,043,514	232,334	(122,322)	(31,910,846)	1,242,680
Balance at 1 July 2020	33,043,514	232,334	(51,322)	(34,443,557)	(1,219,031)
Loss after income tax expense for the period	--	--	--	(3,272,623)	(3,272,623)
Exchange differences on translation of foreign operations	--	--	431,366	--	431,366
Total comprehensive income for the period	--	--	431,366	(3,272,623)	(2,841,257)
Shares issued during the period	5,601,319	--	--	--	5,601,319
Transaction costs	(327,415)	--	--	--	(327,415)
Balance at 31 December 2020	38,317,418	232,334	380,044	(37,716,180)	1,213,616

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	31 Dec. 2020 \$	31 Dec. 2019 \$
Cash flows from operating activities		
Receipts from customers	286,006	939,457
Receipts from research and development tax incentives	--	776,675
Receipts from government subsidies	178,900	--
Payments to suppliers and employees	(3,486,341)	(2,748,767)
Interest received	--	11,493
Borrowing costs	(26,329)	(3)
Net cash used in operating activities	<u>(3,047,764)</u>	<u>(1,021,145)</u>
Cash flows from investing activities		
Payments for plant and equipment	(39,663)	--
Cash obtained from acquisition of subsidiaries	--	336,246
Net cash (used in)/provided by investing activities	<u>(39,663)</u>	<u>336,246</u>
Cash flows from financing activities		
Proceeds from issue of shares	3,739,535	--
Transaction costs from issue of shares	(327,415)	--
Repayment of lease liabilities	(16,501)	--
Net cash provided by financing activities	<u>3,395,619</u>	<u>--</u>
Net increase/(decrease) in cash and cash equivalents held	308,192	(684,899)
Cash and cash equivalents at the beginning of the financial period	612,172	2,251,910
Effect of exchange rate changes on cash holdings	62,841	31,884
Cash and cash equivalents at the end of the financial period	<u><u>983,205</u></u>	<u><u>1,598,895</u></u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

It is recommended that this consolidated financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Wellfully Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year consolidated financial report does not include full disclosures of the type normally included in annual financial reports.

Except for cash flow information, the half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs.

The accounting policies have been consistently applied by the Consolidated Entity and are consistent with those in the 30 June 2020 annual financial report, unless otherwise stated.

New and Revised Accounting Standards and Interpretations

The Consolidated Entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

NOTE 2: ISSUED CAPITAL

	Consolidated	
	31 Dec. 2020	30 Jun. 2020
	\$	\$
(a) Issued capital		
146,487,133 Ordinary shares fully paid (30/06/2020: 90,473,939)	38,317,418	33,043,514
(b) Movements in ordinary share capital	Number of Shares	\$
01/07/2020 Opening balance	90,473,939	33,043,514
19/08/2020 Rights issue	11,220,018	1,122,002
19/08/2020 Capital raising	25,539,982	2,553,998
19/08/2020 Oversubscription of share issue	635,351	63,535
19/08/2020 Convertible notes	8,400,000	840,000
19/08/2020 Shares issued in lieu of fees	10,217,843	1,021,784
Less: costs associated with the issue of shares	--	(327,415)
31/12/2020 Closing balance	146,487,133	38,317,418

NOTE 3: RESERVES

	Consolidated	
	31 Dec. 2020	30 Jun. 2020
	\$	\$
Composition		
Foreign currency translation reserve	380,044	(51,322)
Share based payments reserve	232,334	232,334
	612,378	181,012

On 19 August 2020, 6,150,000 free attaching unlisted options at \$0.10 expiring 19 August 2023 were issued.

The share based payments reserve records items recognised as expenses on valuation of consultant share options from prior years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

NOTE 4: SEGMENT INFORMATION

The Consolidated Entity has considered the requirements of AASB 8 – 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 – 31 December 2020

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

	Dermaportation drug delivery technology \$	Devices \$	Total \$
Revenue			
Revenue and royalties	193,737	145,899	339,636
Government grants	703,309	--	703,309
Net foreign exchange losses	(368,525)	--	(368,525)
Total revenue	528,521	145,899	674,420
EBITDA			
Depreciation and amortisation	(16,579)	(17,912)	(34,491)
Finance costs	(10,531)	(2,745)	(13,276)
Intersegment eliminations	--	--	--
(Loss)/ profit before income tax	(1,325,976)	(1,946,647)	(3,272,623)
Income tax expense	--	--	--
(Loss)/ profit after income tax	(1,325,976)	(1,946,647)	(3,272,623)
Assets			
Segment assets	6,206,831	534,510	6,741,341
Intersegment eliminations			(4,579,335)
Total assets			2,162,006
Liabilities			
Segment liabilities	7,043,095	3,882,843	10,925,938
Intersegment eliminations			(9,977,548)
Total liabilities			948,390

Segment revenues are allocated based on the country in which the customer is located. Operating revenues of \$193,737 or 57% are derived from a single external party. Segment assets are allocated to countries based on where the assets are located.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

NOTE 4: SEGMENT INFORMATION (*continued*)

Consolidated – 31 December 2019

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

	Dermaportation drug delivery technology \$	Devices \$	Total \$
Revenue			
Revenue and royalties	347,573	--	347,573
Interest revenue	6,440	5	6,445
Government grants	776,675	--	776,675
Net foreign exchange gains	31,884	--	31,884
Total revenue	1,162,572	5	1,162,577
EBITDA	(847,345)	(305,294)	(1,152,639)
Depreciation and amortisation	(27,209)	--	(27,209)
Interest revenue	6,440	5	6,445
Finance costs	(7,003)	--	(7,003)
Intersegment eliminations	--	--	--
(Loss)/ profit before income tax	(875,117)	(305,289)	(1,180,406)
Income tax expense	--	--	--
(Loss)/ profit after income tax	(875,117)	(305,289)	(1,180,406)
Assets			
Segment assets	3,002,230	706,945	3,709,175
Intersegment eliminations			(1,107,955)
Total assets			2,601,220
Liabilities			
Segment liabilities	7,435,301	1,014,556	8,449,857
Intersegment eliminations			(7,091,317)
Total liabilities			1,358,540

Segment revenues are allocated based on the country in which the customer is located. Operating revenues of \$347,573 or 100% are derived from a single external party. Segment assets are allocated to countries based on where the assets are located.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

NOTE 5: DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

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: EVENTS SUBSEQUENT TO REPORTING DATE

- On 28 January 2021, the Company announced the incorporation of its Swiss operations entity, Swisswell Sagl.
- On 1 February 2021, the Company announced that it had received an R&D Tax Incentive Refund of \$524,409 before costs.
- On 9 February 2021, the Company made an announcement that an oversubscribed placement via the commitments received of up to \$4.75 million before costs from s708 clients of CPS Capital Group Pty Ltd, along with a proposed pro-rata non-renounceable entitlement offer of loyalty options, and an unmarketable parcel sale facility.
- On 22 February 2021, the Company issued 21,973,070 ordinary fully paid shares at \$0.075 per share.

The outbreak of the COVID-19 pandemic is impacting global economic markets. The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Consolidated Entity's business and financial performance. However, the situation is continually evolving and the impacts are therefore inevitably uncertain.

There are no other subsequent events as the date of this report.

WELLFULLY LIMITED
A.B.N. 72 056 482 636

DIRECTORS' DECLARATION

In the opinion of the directors:

- a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors pursuant to section 303(5)(a) of the Corporations Act 2001.



Jeffrey Edwards
Director

Dated this 27th day of February 2021



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
WELLFULLY LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Wellfully Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Wellfully Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Wellfully Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

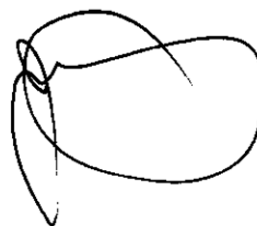
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wellfully Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



Perth, WA
Dated: 27 February 2021

JAMES KOMNINOS
Partner