

# Appendix 4E

## Preliminary Final Statements to the Australian Securities Exchange

### Wellfully Limited and its controlled entities

ABN 72 056 482 636

FINANCIAL YEAR INFORMATION – 1 JULY 2020 TO 30 JUNE 2021

#### Key Information – Results for Announcement to the Market


	30 June 2021	30 June 2020	Change	
	\$(‘000)	\$(‘000)	\$(‘000)	
Revenue	463	571	(108)	Down 19%
Other income	740	914	(174)	Down 19%
Loss for the period after tax	(6,397)	(3,713)	2,684	Up 72%
Loss attributable to members of the parent entity	(6,397)	(3,713)	2,684	Up 72%

#### Dividends

No dividends have been declared or paid during the financial year ended 30 June 2021.

These financial statements are in the process of being audited by RSM Australia Partners and are not subject to dispute or qualification.

	30 June 2021	30 June 2020
Basic loss per share (cents/share)	(4.10)	(4.10)
Diluted loss per share (cents/share)	(4.10)	(4.10)
Net tangible assets per share (cents/share)	1.10	(1.34)

Signed By (Director)	
Print Name	JEFFREY EDWARDS
Date	31 <sup>st</sup> August 2021

**WELLFULLY LIMITED ABN 72 056 482 636**  
**Supplementary Appendix 4E information**  
**for the financial year ended 30 June 2021**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>ACCUMULATED LOSSES</b>		
Accumulated losses at the beginning of the financial year	(34,443,557)	(30,730,440)
Loss attributable to the members of the parent entity	(6,397,257)	(3,713,117)
	<hr/>	<hr/>
Accumulated losses at the end of the financial year	<u>(40,840,814)</u>	<u>(34,443,557)</u>

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

Name of entity (or group of entities)	Swisswell Sagl
Date control gained	19 January 2021
Profit / (loss) from ordinary activities since the date in the current period on which control was acquired	\$(116,874)
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	NIL

2. 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.

3. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Not applicable.

4. 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.

**WELLFULLY LIMITED ABN 72 056 482 636**  
**Supplementary Appendix 4E information**  
**for the financial year ended 30 June 2021**

5. Review of Operations for the period:

**SALES AND MARKETING**

***RÉDUIT Brand and Device Business***

Wellfully's first wholly-owned consumer brand, RÉDUIT, underwent a period of rapid growth in the 2021 financial year following a release in late FY20. The 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 technologies, the RÉDUIT range offers design-focus applicator devices that use a suite of interchangeable formula pods to deliver premium haircare and skincare products.

Wellfully completed a campaign to launch 20 products in 20 weeks in the first quarter of FY21 as part of an initiative to drive early momentum for the RÉDUIT brand. Six new applicator devices and two dozen haircare and skincare products available as Hairpods™ and Skinpods™ were released to the market in the first quarter since its initial launch.

A dedicated website and other core online channels were followed by the launch of RÉDUIT with The Hut Group (THG), one of the world's largest beauty ecommerce operators with revenue of £1.6 billion. The partnership was announced in the first quarter of FY21 and exposed the RÉDUIT brand to customers across THG's market-leading platforms, including lookfantastic.com, hqhair.com, skinstore.com and ry.com.au, which reach to more than 10 million consumers.

Adding to the momentum brand strategy, Wellfully entered a content partnership with the Victoria Beckham label, one of the world's most reputable fashion and celebrity labels. This initiative promoted RÉDUIT as the official hair tech partner for the Victoria Beckham Spring Summer 2021 collection presentation at London Fashion Week in September 2020.

The partnership delivered "backstage" content of the premier international event featuring RÉDUIT devices and product collection used by celebrity hair stylist, Paul Hanlon and models. Content creation included a post from Victoria Beckham tagging @RÉDUIT\_official.

In the third quarter, the Wellfully Ambassador program went live. The innovative marketing initiative leveraged a network of micro-influencers to drive additional brand awareness and sales while redirecting demand from marketing and sales channels impacted by the pandemic.

Building on the early brand recognition, RÉDUIT was then launched on the leading online beauty products marketplace Cult Beauty in the third quarter followed by the first bricks-and-mortar placement in the June quarter when the product range was stocked in Shaver Shop (ASX: SSG) stores in Australia and New Zealand.

With the Cult Beauty collaboration, RÉDUIT introduced the RÉDUIT Uni, a compact universal applicator suited for both Skin- and Hairpods. RÉDUIT Uni is expected to support adoption and growth: while following the same design rules as the other applicators, the device allows for advanced utility and a more attractive price point.

Late in the fourth quarter, Wellfully announced a significant partnership with BORK, a luxury consumer brand and retailer with a strong presence in Russia and the Commonwealth of Independent States markets of Europe and Central Asia. The agreement brings the RÉDUIT-based technology to the large BORK retail network consisting of 130 owned stores, 10 prominent third-party retailers such as Articoli and Gold Apple, as well as BORK's 350,000+ direct consumers.

The collaboration offered a significant opportunity to expand the market reach of the RÉDUIT product range and is scheduled to begin in the second half of calendar 2021. The initially contract period runs to 1 September 2022, with forecast sales of this initial period of US\$1.5M (A\$2M).

***SWISSWELL and Lubricen Knee Patch***

During FY21, key preconditions to the launch of the SWISSWELL brand and Lubricen knee patch were achieved although the market launch was delayed primarily due to lock-downs, materials and transport issues resulting from Covid-19. Volume production trials and launch preparations were completed in June and market release is currently scheduled for the first quarter of FY22.

5. Review of Operations for the period (*continued*):

The marketing strategy and accompanying resources in preparation for market release were developed in the year. The initial strategy is focused on e-commerce markets during the first phase of commercialisation. Using the information from early sales cycles to validate the product supply chain, Wellfully will then expand into additional sales channels.

In the first weeks after the end of the financial year, Wellfully announced it had been successful in registering the SWISSWELL trademark in Switzerland. The registration process was extended due to the use of “Swiss” in the brand and step toward the launch but provides a key feature of the brand’s competitive strength.

## **RESEARCH AND DEVELOPMENT**

### ***Magneto-Misting Technology Extensions***

Wellfully delivered material progress across the Company’s development pipeline in FY21. Work on a therapeutic product range that uses Wellfully’s Magnetic Misting technology for Nebulizer applications continued at the Company’s Perth Science & Innovation Laboratory. The programme of work centres on the development of products for the delivery of inhalants and buccal application medical which adapt the RÉDUIT Uni and Skinpods systems.

The product category targets the unmet medical need in buccal and pulmonary treatments for young children and elderly Nebulizer users who often have difficulty in synchronising the administration of a therapeutic dose with the exact timings of their inhalations.

For optimum therapeutic benefit, the application of medicine needs to be timed precisely with the maximum flow rate of an inhalation. Failure to do this accurately can result in medication being taken up by tissues of the mouth and throat rather than more deeply in the lungs.

The estimated market launch of the first product in this line is the second quarter of FY23.

### ***Cannabinoid Category Development***

In December, Wellfully announced an initial collaboration with NSW-based Dolce Cann Global aimed at exploring the use of the Company’s patented drug delivery technologies for the transdermal delivery of cannabinoid (CBD) products.

The collaboration focused on the development of treatments for inflammatory disorders, arthritis, rosacea, muscle recovery and damage, as well as cosmeceutical and skin care products.

Wellfully’s Perth-based Science and Innovation laboratory was key to the R&D activities. The lab examined enhanced transdermal delivery of cannabidiol (CBD) in the second half. CBD supply difficulties lead the Company to seek alternative supply chains in Australia, Canada which have resulted in delays in this program.

### ***Surface Hygiene System***

Work also continued on the Company’s Surface Hygiene product category, including the low cost, purse-sized personal hygiene offering that uses RÉDUIT Uni devices to deliver surface hygiene. The R&D program joined the RÉDUIT Haircare and Skincare activities under the Magneto-Misting technology platform.

The portable personal hygiene system under development 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.

Three workstreams were the focus of development activities in the year:

- determination of the operational elements that together create the high level of hygiene protection required by international standards for bacterial disinfection, virus eradication and food hygiene;
- develop inline production and automatic dispersion of potent hygiene agents while avoiding the use or need for the storage of toxic chemicals within the home, office or hospitality venue; and

**WELLFULLY LIMITED ABN 72 056 482 636**  
**Supplementary Appendix 4E information**  
**for the financial year ended 30 June 2021**

5. Review of Operations for the period (*continued*):

- design and development of fully automated sensing systems to manage and control all aspects of device functionality in a clear, simple and easy to use manner.

***RÉDUIT Active Sunscreen***

The Company also began commercialisation planning for world's first enhanced delivery sunscreen building on Wellfully's in-situ mixture separation technology patent.

***Nebulizers, Inhalers and Spirometers***

The Company commenced work on Nebulizers, Inhalers and Spirometers during the period, utilising the RÉDUIT architecture. Several technical milestones were achieved including autonomous delivery synchronised to the user's inhalations and the monitoring of CO<sub>2</sub> levels in exhalations as a means of quantifying exercised in sports and fitness applications.

**CAPITAL INVESTMENTS**

***Operations Facilities***

The Company completed the construction and fitout of its new Lugano Facility in Switzerland in the June quarter. Equipment and process testing is underway at the site, as well as certification activities. The facility will be used as the formulations laboratory and topicals productions, leveraging its presence in the broader Swiss–Milan cosmetics district.

At Wellfully's Dongguan Facility in China, the second build phase was completed in the June quarter. Situated between two of the world's largest manufacturing and technology hubs — Guangzhou and Shenzhen — the site will be the primary base of Wellfully's device design and development activities, as well as select intermediate assembly operations. The project was delivered in just three months.

**CORPORATE**

***Change of Company Name***

The Company announced it had changed its name from OBJ Limited to Wellfully Limited as part of a rebranding aimed at alignment with the Company's focus and activities moving forward.

***Appointments***

Anthony Wright was appointed to the board as a Non-Executive Director in April. Mr Wright is a highly credentialled executive with more than 20 years experience across governance, legal, strategy and sales and marketing roles. He has worked with leading Australian and international organisations, including Transpacific Industries Group Ltd (now Cleanaway Ltd) and the PGA Tour. Mr Wright is an Executive Director of LOD, a global leader in the legal services market which has ~500 staff across 12 countries.

The board renewal was followed by the appointment of Sergej Dolezil as Wellfully's Chief Financial Officer in May. Mr Dolezil began his career with KPMG working in audit, tax consulting, and mergers and acquisitions. In addition to more than eight years leading the auditing departments of the largest regional energy and insurance companies, he held a series of C-level and board positions with responsibilities spanning mergers and acquisitions, fundraising, as well as general financial planning and administration management roles. Mr Dolezil is based in Wellfully's Zagreb office.

***R&D Tax Credits***

Wellfully received an R&D Tax Incentive Refund of \$524,409 before costs during the March quarter. The refund stems from R&D activity undertaken across the group during the 2020 financial year.

***Funding Activities***

Wellfully completed two equity raisings during FY21 to support funding activities including technology licensing, business development, the SWISSWELL launch, and general working capital.

**WELLFULLY LIMITED ABN 72 056 482 636**  
**Supplementary Appendix 4E information**  
**for the financial year ended 30 June 2021**

5. Review of Operations for the period (*continued*):

In Q1 FY21, the Company completed an entitlement offer and placement, together raising up to approximately \$3.74 million before costs. That was followed by an oversubscribed placement in Q3, which raised \$4.5 million from sophisticated and professional investors. The placement was accompanied by an entitlement options offer (Loyalty Offer), which raised an additional \$103,822.

The capital raisings attracted strong support from both existing and new shareholders.

6. Attachments forming part of the Appendix 4E:

Attachment I: Financial Statements and Notes thereto of Wellfully Limited for the year ended 30 June 2021.

**Audit Status**

<b>This report is based on accounts to which one of the following applies:</b>			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
<b>If the accounts have not yet been audited and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:</b>			
N/A			
<b>If the accounts have been audited and are subject to dispute or qualification, a description of the dispute or qualification:</b>			
N/A			



**JEFFREY EDWARDS**  
**Director**  
**31<sup>st</sup> August 2021**

**Wellfully Limited ABN 72 056 482 636**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the financial year ended 30 June 2021**

	<b>Consolidated</b>	
<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Revenue	462,973	570,552
Other income	740,370	913,666
Net foreign exchange (losses)/gains	(384,253)	75,105
Borrowing costs (expensed)/written off	(23,062)	83,310
Bad debt written off	--	(52,781)
Depreciation expenses	(85,562)	(73,052)
Administration fees	(397,425)	(505,681)
Auditor's remuneration	(80,437)	(61,249)
Consultants and consultants benefits expenses	(281,950)	(501,446)
Directors and employees benefits expenses	(3,400,612)	(2,273,156)
Freight and courier	(143,364)	(23,660)
Intangible assets written off	--	(372,982)
Legal costs	(98,142)	(215,345)
Marketing and operations services	(988,016)	(165,644)
Materials and requisites	(883,701)	(271,699)
Occupancy expenses	(230,223)	(146,780)
Patent and trademark service fees	(121,808)	(189,579)
Product design and trial testing expenses	(18,209)	(35,938)
Travel and accommodation	(122,309)	(132,738)
Other expenses	(341,527)	(334,020)
<b>Loss before income tax</b>	<b>(6,397,257)</b>	<b>(3,713,117)</b>
Income tax expense	--	--
<b>Loss for the year</b>	<b>(6,397,257)</b>	<b>(3,713,117)</b>
Other comprehensive income/(loss)	292,939	(51,322)
<b>Total comprehensive loss for the year</b>	<b>(6,104,318)</b>	<b>(3,764,439)</b>
<b>Loss attributable to:</b>		
Members of the parent entity	(6,397,257)	(3,713,117)
<b>Total comprehensive loss attributable to:</b>		
Members of the parent entity	(6,104,318)	(3,764,439)
	<b>Cents</b>	<b>Cents</b>
Basic and diluted losses per share (cents per share)	(4.10)	(4.10)

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

**Wellfully Limited ABN 72 056 482 636**  
**Statement of Financial Position**  
**as at 30 June 2021**

	Note	Consolidated	
		30 June 2021 \$	30 June 2020 \$
<b>Current Assets</b>			
Cash and cash equivalents		2,725,636	612,172
Trade and other receivables		163,365	271,193
Inventories		96,754	--
<b>Total Current Assets</b>		<u>2,985,755</u>	<u>883,365</u>
<b>Non Current Assets</b>			
Plant and equipment		406,303	308,181
<b>Total Non Current Assets</b>		<u>406,303</u>	<u>308,181</u>
<b>Total Assets</b>		<u>3,392,058</u>	<u>1,191,546</u>
<b>Current Liabilities</b>			
Trade and other payables		449,814	1,072,068
Contract liabilities		276,763	203,358
Lease liabilities		47,513	28,635
Borrowings		154,000	1,007,053
Employee benefits provision		93,702	90,234
<b>Total Current Liabilities</b>		<u>1,021,792</u>	<u>2,401,348</u>
<b>Non Current Liabilities</b>			
Lease liabilities		61,655	9,229
<b>Total Non Current Liabilities</b>		<u>61,655</u>	<u>9,229</u>
<b>Total Liabilities</b>		<u>1,083,447</u>	<u>2,410,577</u>
<b>Net Assets/(Liabilities)</b>		<u>2,308,611</u>	<u>(1,219,031)</u>
<b>Equity</b>			
Issued capital	2	42,552,152	33,043,514
Reserves	3	597,273	181,012
Accumulated losses		(40,840,814)	(34,443,557)
<b>Total Equity/(Deficiency)</b>		<u>2,308,611</u>	<u>(1,219,031)</u>

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



**Wellfully Limited ABN 72056482636**  
**Statement of Changes in Equity**  
**for the financial year ended 30 June 2021**

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b><u>Consolidated</u></b>					
<b>Balance at 01/07/2019</b>	33,043,514	232,334	--	(30,730,440)	2,545,408
Loss after income tax expense for the year	--	--	--	(3,713,117)	(3,713,117)
Exchange differences on translation of foreign operations	--	--	(51,322)	--	(51,322)
Total comprehensive loss for the year	--	--	(51,322)	(3,713,117)	(3,764,439)
<b>Balance at 30/06/2020</b>	<b>33,043,514</b>	<b>232,334</b>	<b>(51,322)</b>	<b>(34,443,557)</b>	<b>(1,219,031)</b>
<b>Balance at 01/07/2020</b>	33,043,514	232,334	(51,322)	(34,443,557)	(1,219,031)
Loss after income tax expense for the year	--	--	--	(6,397,257)	(6,397,257)
Exchange differences on translation of foreign operations	--	--	292,939	--	292,939
Total comprehensive income for the year	--	--	292,939	(6,397,257)	(6,104,318)
Shares issued during the year	10,351,319	--	--	--	10,351,319
Options issued during the year	--	123,322	--	--	123,322
Transaction costs	(842,681)	--	--	--	(842,681)
<b>Balance at 30/06/2021</b>	<b>42,552,152</b>	<b>355,656</b>	<b>241,617</b>	<b>(40,840,814)</b>	<b>2,308,611</b>

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

**Wellfully Limited ABN 72056482636**  
**Statement of Cash Flows**  
**for the financial year ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2021 \$</b>	<b>30 June 2020 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		631,716	1,099,419
Receipts from research and development tax incentives		524,409	776,675
Receipts from government subsidies		215,900	118,000
Payments to suppliers and employees		(6,534,209)	(4,680,562)
Interest received		61	11,539
Borrowing costs		(39,759)	(1,637)
<b>Net cash used in operating activities</b>	4	<u>(5,201,882)</u>	<u>(2,676,566)</u>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(64,740)	--
Cash obtained from acquisition of subsidiaries		--	336,246
<b>Net cash (used in)/provided by investing activities</b>		<u>(64,740)</u>	<u>336,246</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and options		8,362,857	--
Transaction costs from issue of shares and options		(842,681)	--
Proceeds from borrowings		--	645,000
Repayment of lease liabilities		(33,517)	(19,523)
<b>Net cash provided by financing activities</b>		<u>7,486,659</u>	<u>625,477</u>
Net increase/(decrease) in cash and cash equivalents held		2,220,037	(1,714,843)
Cash and cash equivalents at the beginning of the financial year		612,172	2,251,910
Effect of exchange rate changes on cash holdings		(106,573)	75,105
<b>Cash and cash equivalents at the end of the financial year</b>		<u>2,725,636</u>	<u>612,172</u>

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

**Wellfully Limited ABN 72056482636**  
**Notes to the financial statements**  
**for the financial year ended 30 June 2021**

**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 2020 together with any public announcements made by Wellfully Limited during the year ended 30 June 2021, 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 2020.

**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.

**Note 2. Issued Capital**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Issued capital</b>		
209,820,466 fully paid ordinary shares (30/06/2020: 90,473,939)	42,552,152	33,043,514

**(b) Movements in ordinary share capital**

<b>Date</b>	<b>Details</b>	<b>Number of Shares</b>	<b>Issue Price</b>	<b>\$</b>
01/07/20	Opening balance	90,473,939		33,043,514
19/08/20	Rights issue	11,220,018	\$0.10	1,122,002
19/08/20	Capital raising	25,539,982	\$0.10	2,553,998
19/08/20	Oversubscription of share issue	635,351	\$0.10	63,535
19/08/20	Convertible notes	8,400,000	\$0.10	840,000
19/08/20	Shares issued in lieu of fees	10,217,843	\$0.10	1,021,784
22/02/21	Capital raising	20,122,707	\$0.075	1,509,203
22/02/21	Shares issued in lieu of fees	1,850,363	\$0.075	138,777
09/04/21	Capital raising	39,877,293	\$0.075	2,990,797
09/04/21	Shares issued in lieu of fees	1,482,970	\$0.075	111,223
	Less: transaction costs arising on share issues			(842,681)
30/06/21	Closing balance	209,820,466		42,552,152

**Wellfully Limited ABN 72056482636**  
**Notes to the financial statements**  
**for the financial year ended 30 June 2021**

<b>Note 3. Reserves</b>	<b>Consolidated</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
	\$	\$
<b>(a) Composition</b>		
Foreign currency translation reserve	241,617	(51,322)
Share based payments reserve	355,656	232,334
	597,273	181,012

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

**(b) Movements in options were as follows:**

<b>Date</b>	<b>Details</b>	<b>Number of Options</b>		<b>Fair Value of Options Issued</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
		<b>Listed</b>	<b>Unlisted</b>			
				\$		
01/07/20	Opening Balance	--	--	232,334	--	--
19/08/20	Free attaching unlisted options	--	6,150,000	--	\$0.10	19/08/23
09/04/21	Free attaching listed options	31,666,564	--	--	\$0.15	31/03/23
09/04/21	Broker listed options	19,500,000	--	19,500	\$0.15	31/03/23
09/04/21	Loyalty offer listed options	103,819,870	--	103,822	\$0.15	31/03/23
		154,986,434	6,150,000	355,656		

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

	<b>Consolidated</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Reconciliation of net cash and cash equivalents used in operating activities to loss for the year</b>		
Loss for the year	(6,397,257)	(3,713,117)
Bad debt written off	--	52,781
Borrowing costs expensed/(written off)	23,062	(84,944)
Depreciation	85,562	73,052
Employee benefits provisions	3,468	6,230
Foreign exchange movements	242,327	(75,105)
Intangible asset written off	--	372,982
Administration fee, directors fee and salary paid via shares	1,108,605	--
<b>Movements in assets and liabilities:</b>		
Trade and other receivables	119,695	289,620
Inventories	(96,754)	--
Trade and other payables	(363,995)	198,577
Contract liabilities	73,405	203,358
Net cash used in operating activities	(5,201,882)	(2,676,566)

**Wellfully Limited ABN 72056482636**  
**Notes to the financial statements**  
**for the financial year ended 30 June 2021**

**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 2021**

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

	<b>Dermaportation drug delivery technology</b>	<b>Devices</b>	<b>Total</b>
	\$	\$	\$
<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>			
Depreciation and amortisation	(31,757)	(53,805)	(85,562)
Interest revenue	--	61	61
Finance costs	(10,531)	(12,531)	(23,062)
Intersegment eliminations	--	--	--
<b>(Loss)/ profit before income tax</b>	<b>(2,743,132)</b>	<b>(3,654,125)</b>	<b>(6,397,257)</b>
Income tax expense	--	--	--
<b>(Loss)/ profit 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>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>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.

**Wellfully Limited ABN 72056482636**  
**Notes to the financial statements**  
**for the financial year ended 30 June 2021**

**Note 5. Segment Information (continued)**

**Consolidated – 30 June 2020**

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

	<b>Dermaportation drug delivery technology</b>	<b>Devices</b>	<b>Total</b>
	\$	\$	\$
<b>Revenue</b>			
Revenue and royalties	570,552	--	570,552
Interest revenue	6,440	51	6,491
Government grants and subsidies	907,175	--	907,175
Net foreign exchange gains	75,105	--	75,105
<b>Total revenue</b>	<b>1,559,272</b>	<b>51</b>	<b>1,559,323</b>
<b>EBITDA</b>	<b>(2,169,079)</b>	<b>(1,560,787)</b>	<b>(3,729,866)</b>
Depreciation and amortisation	(52,918)	(20,134)	(73,052)
Interest revenue	6,440	51	6,491
Finance costs written off	83,310	--	83,310
Intersegment eliminations	--	--	--
<b>(Loss)/ profit before income tax</b>	<b>(2,132,247)</b>	<b>(1,580,870)</b>	<b>(3,713,117)</b>
Income tax expense	--	--	--
<b>(Loss)/ profit after income tax</b>	<b>(2,132,247)</b>	<b>(1,580,870)</b>	<b>(3,713,117)</b>
<b>Assets</b>			
Segment assets	3,016,932	460,763	3,477,695
Intersegment eliminations			(2,286,149)
<b>Total assets</b>			<b>1,191,546</b>
<b>Liabilities</b>			
Segment liabilities	8,385,886	2,205,803	10,591,689
Intersegment eliminations			(8,181,112)
<b>Total liabilities</b>			<b>2,410,577</b>

Segment revenues are allocated based on the country in which the customer is located. Operating revenues of \$570,552 or 100% are derived from a single external party. Segment assets are allocated to countries based on where the assets are located.

**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.