



# WELLFULLY

COMPANY PRESENTATION

OCTOBER 2022

This presentation 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.

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# WELLFULLY INVESTMENT HIGHLIGHTS

A HIGHLY INNOVATIVE WELLNESS COMPANY WITH GLOBALLY DISRUPTIVE PRODUCTS

## About Wellfully Limited (ASX:WFL)

Wellfully Limited ('Wellfully' or 'the Company') is the world's first fully-integrated, science-based wellness company. Over the past two years, the Company has leveraged its vast enhanced drug deliveries technology inventory and developed industrial infrastructure and its own product portfolio.

Wellfully is active in the highly attractive beauty and personal care, beauty device, as well as the health and pain relief markets delivering innovative products through collaborations with industry majors spanning licensing, joint development and OEM, as well as with its own global cosmetic and healthcare brands, RÉDUIT and SWISSWELL, positioned to disrupt these global blockbuster markets.

Supported by a highly experienced Board and Management, Wellfully is poised to deliver notable and sustainable results.

## Corporate Snapshot\*

Share Price	\$0.027
Shares on Issue	~278.7m
Options on Issue (\$0.15 exercise)	~200.9m
<b>Market Capitalisation</b>	<b>~\$7.5m</b>
Cash (30 June 2022)	~\$318k
Top 20	40.7%
Board & Management	7.0%

\*Share price, market capitalisation, share holdings as at 4 October 2022

## Share Price Performance



# A FULLY-INTEGRATED SCIENCE-BASED WELLNESS COMPANY

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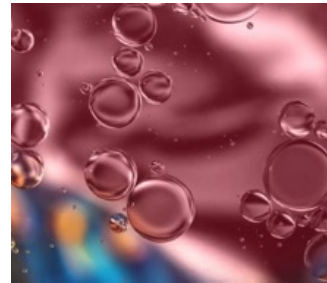
WITH FY2022 WELLFULLY HAS COMPLETED ITS TRANSFORMATION FROM AN R&D LICENSING BUSINESS

## PROPRIETARY TECHNOLOGIES

**+25 years** of research with global majors

**+17 patents** covering key company technologies

**Beauty & Pharma** clinical-study supported



**ENHANCED DRUG DELIVERY**, the proven ability to move active ingredients from formulations to where they are needed, in a controlled way – and the know-how to turn these technologies into products!

**BEST-IN-CLASS TRACK RECORD**



## INTEGRATED OPERATIONS

**GMP Certified** formulations plant

**SWISS Made** topical production

**Medical Class 1** Device product registrations



**VERTICALLY INTEGRATED OPERATION:**

- Product & process R&D
- Industrialisation
- Formulation creation
- Device manufacturing
- Distribution & MKTG
- In-house brands

**IN-HOUSE CONSUMER BRANDS**

**SWISSWELL**

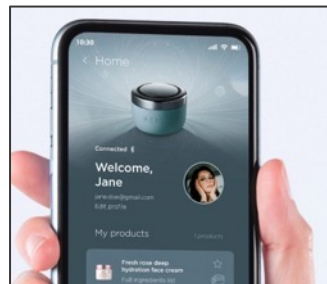
**RÉDUIT**

## DIGITAL PLATFORM

**+1.5 million** 3rd party product formulations

**+23.000 parameters** for different users

**+33 active ingredients** enhanced with waveforms



**THE ONLY UNIVERSAL POINT-OF-USE APP** across health and beauty applications for 3<sup>rd</sup> party topical products available today, active for over 1.5 million formulations – still growing its perimeter.

**SKINCARE USE DATA**



# OWN PRODUCTS AND BRANDS HAVE BECOME CORE

WITH FY2022 THE NEW MODEL HAS BECOME DOMINANT

## REDUCING EXPOSURE & CAPTURING MORE VALUE

Own products and brands have become central

### The 2018 development plan:

- Reduce reliance on few large partners and government subsidies
- Develop Infrastructure designed to capture more value with own products and brands

### The FY2022 revenue evolution:

+ **2x overall** vs FY 2021

+ **5x own products & brands** vs FY 2021

## THE REVENUES ARE EVOLVING IN LINE WITH STRATEGY

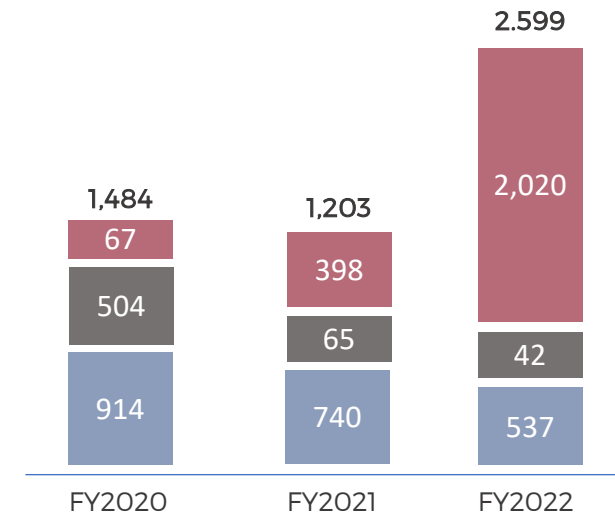
Revenue evolution by business FY2020-2022, in 000 A\$

Revenue mix:

Own product & brands

Tech Licensing

R&D Subsidies



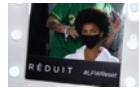
In hindsight, the 2019 plan worked even better than anticipated with own product and brand revenues also compensating the COVID-19-driven decline in traditional technology licensing business

# FY2022 SAW REVENUE GROWTH FROM RÉDUIT & OWN PRODUCTS **WELLFULLY**

ACTIVITIES AROUND OWN PRODUCTS AND BRANDS INCREASING

## RÉDUIT DEVELOPMENTS

Key milestones achieved in FY2022



Sep-21 RÉDUIT haircare for Victoria Beckham at London Fashion Week



Mar-22 RÉDUIT launches in Harrods London with a dedicated event



Mar-22 RÉDUIT BOOST is launched at the WOW Madrid store opening



Mar-22 RÉDUIT BOOST receives best product award at Cosmoprof

SEPHORA

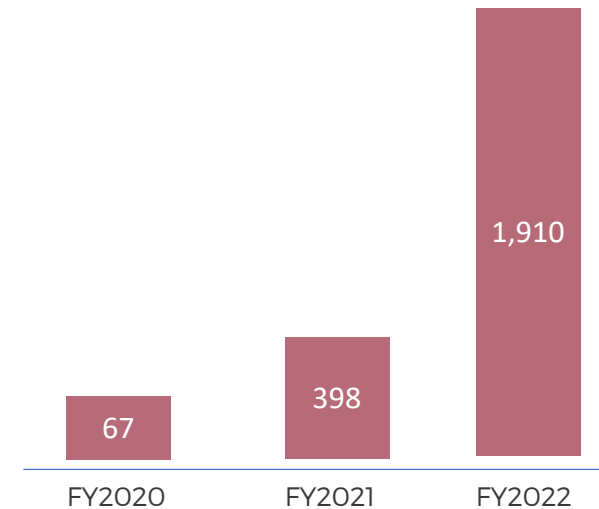
Apr-22 RÉDUIT launches across Sephora Brazil stores with full range



Apr-22 Approval for the use of the SWISS MADE label received

## REVENUE EVOLUTION

RÉDUIT brand and product revenues, FY2020-2022, in 000 A\$



With sales more than doubling y-o-y, RÉDUIT is in line with its development targets. In FY2022, the focus remains on commercial scaling and the development of new retail partners across key markets.

# IMPORTANT MILESTONES ACHIEVED BY SWISSWELL

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THE SWISSWELL LUBRICEN KNEE PATCH IN FY2022

GO-LIVE

SWISSWELL



Aug-21

Following 5 years of development, the SWISSWELL Lubricen Knee Patch was launched DTC-only.

REGULATORY APPROVALS



Apr-22

Market approval as a Class 1 Medical Device and pain relief claims in the US and the EU

GMPc & SWISS MADE



Apr-Jul-22

Wellfully's Lugano operation receives Swiss Made label, as well as GMPc certification (ISO 22716).

In FY2022, Wellfully secured important advancements and regulatory product qualifications for its most innovative and differentiated product, the SWISSWELL Lubricen Knee Patch

# SWISSWELL LUBRICEN KNEE PATCH

A CLINICALLY PROVEN REVOLUTION IN PAIN MANAGEMENT



## DRUG-FREE TOPICAL RELIEF

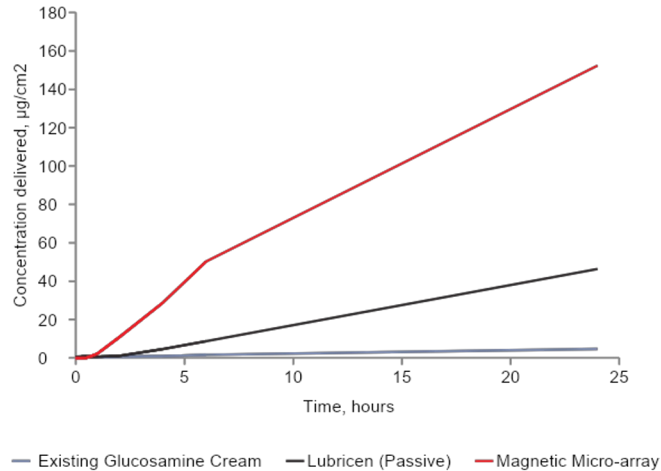
A synthetic blend of key ingredients known to support the lubrication of the knee. Safe for regular and ongoing use.



## STARTS WORKING IMMEDIATELY

Highly effective delivery of SWISSWELL's drug free actives, provides immediate results.

## GLUCOSAMINE PENETRATION OVER TIME



## A SAFE ONGOING JOINT MAINTENANCE REMEDY

Drug-free topical patch which supports joint function and the lubrication of the knee, mobility and flexibility with the diamagnetic micro-array technology outperforming NSAIDs.



# THE PRODUCT SPEAKS FOR ITSELF

EXTRAORDINARY FEEDBACK FROM INITIAL SALES

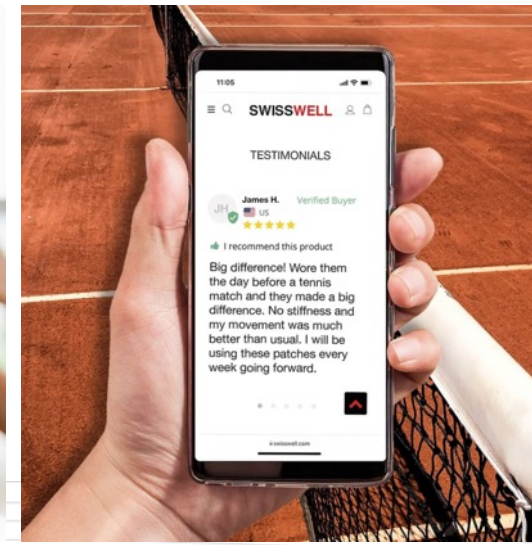
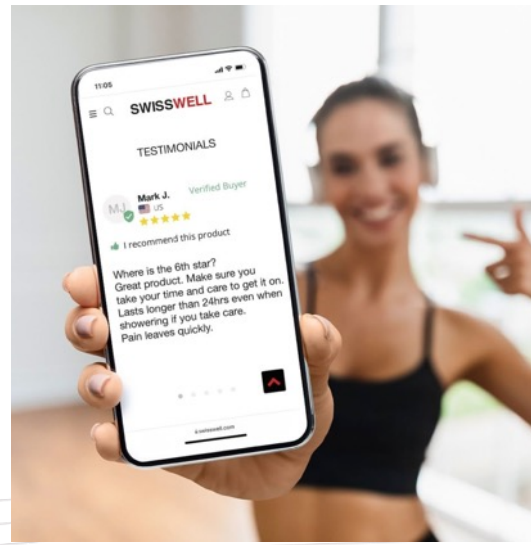
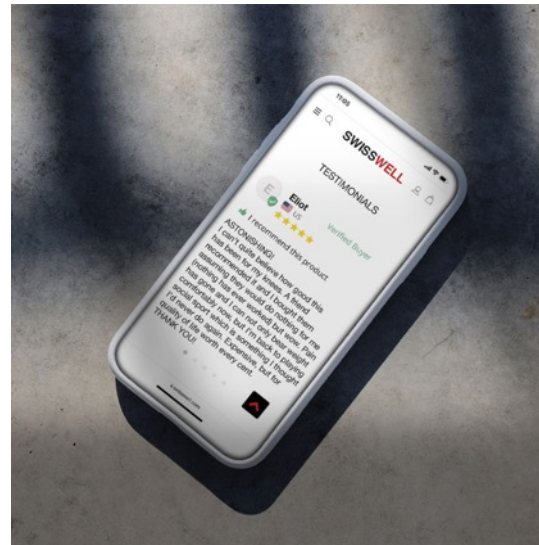
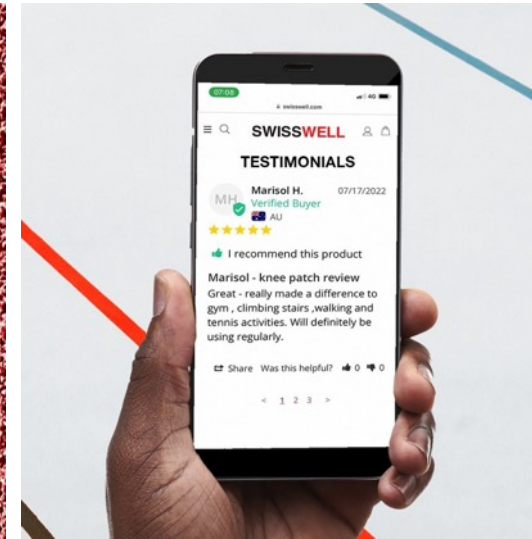
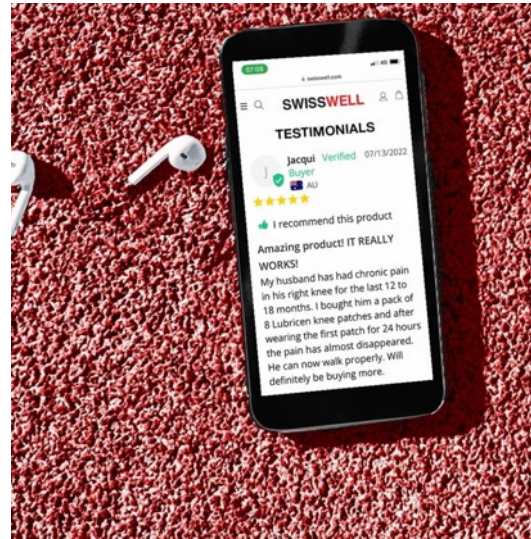
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## 4.7 ★★★★★

Based on 64 Reviews



92% reviewers would recommend this product



## 1<sup>st</sup> EXPERIENCES

### IT WORKS

In a world full of over-promise and under-delivery, consumers are delighted by the effectiveness of the SWISSWELL product

### Less pain, more performance

Contrary to most pain-relief-only, many consumers focused their feedback on the added performance

### Drug free!

An effective, drug-free alternative to NSAIDs provides for a unique continuous use solution

### Deliveries?

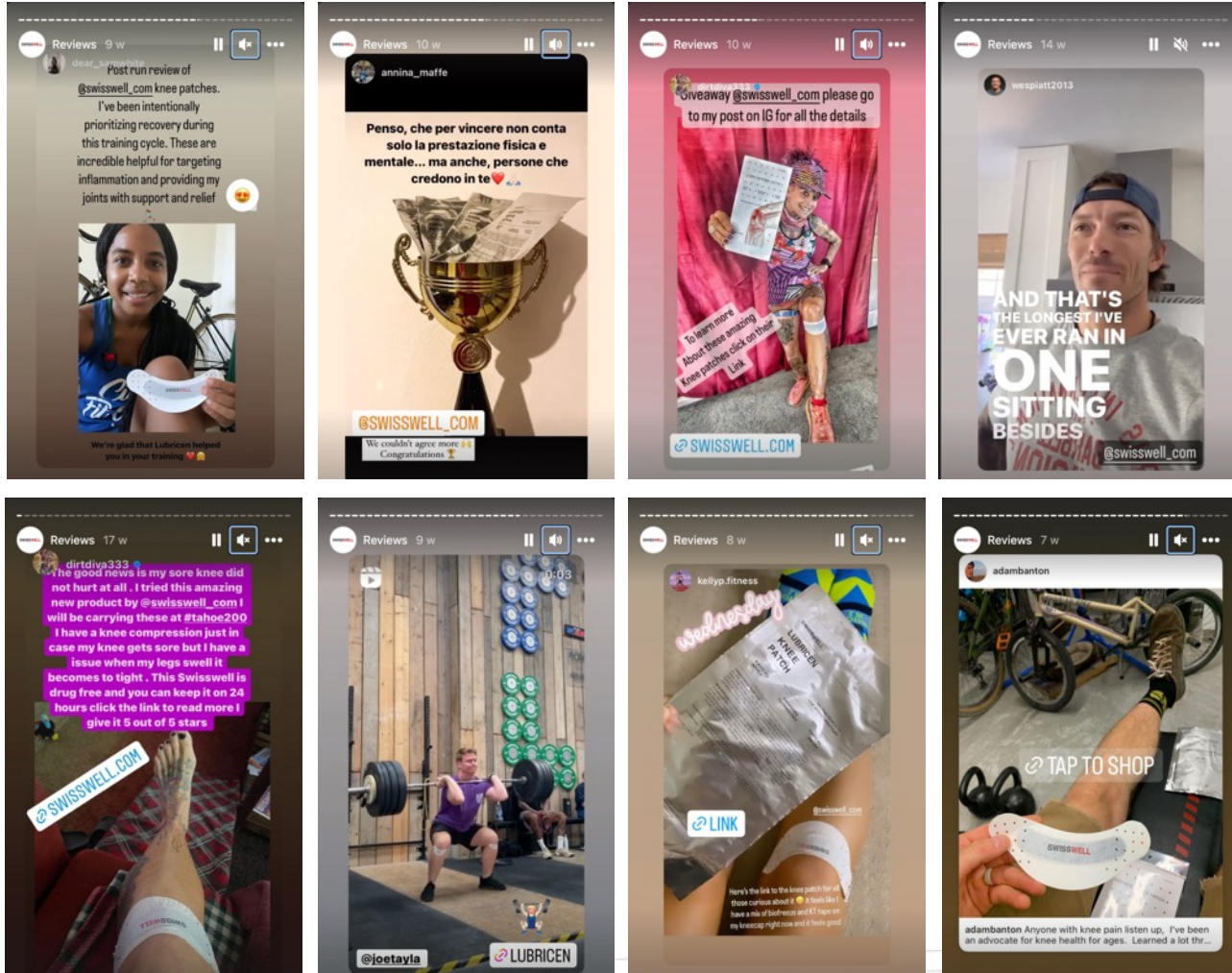
Product availability with existing suppliers is an issue – see the **patch insourcing** section.

Note: the 4.7 rating is product evaluations w/o 8 1\* reviews removed as related to deliveries for a gross rating of 4.3\*

# ACCELERATING WORD-OF-MOUTH

GROWING AWARENESS WITH PRODUCT MARKETING CAMPAIGNS

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## PRODUCT-IN-HAND

### Efficient sampling

100s of products being distributed with the new samples pack in the UK and the US

**KOLs and Influencers** growing the earned perimeter, targeting sports health and physio specialists in key markets

**B2B Sampling** contracting sampling with distribution activities within the new pharma channels

**Product reviews** sampling also part of PR activities with structured product evaluation partners

# CRITICAL SOURCING BOTTLENECKS

## CONSTRAINTS IN SCALING SWISSWELL

### AVAILABILITY

- Long supply-chain: transformers and ingredient/component suppliers.
- +6 months lead-times (up to 10 total)
- Little control to accelerate, seek alternatives

### COSTS

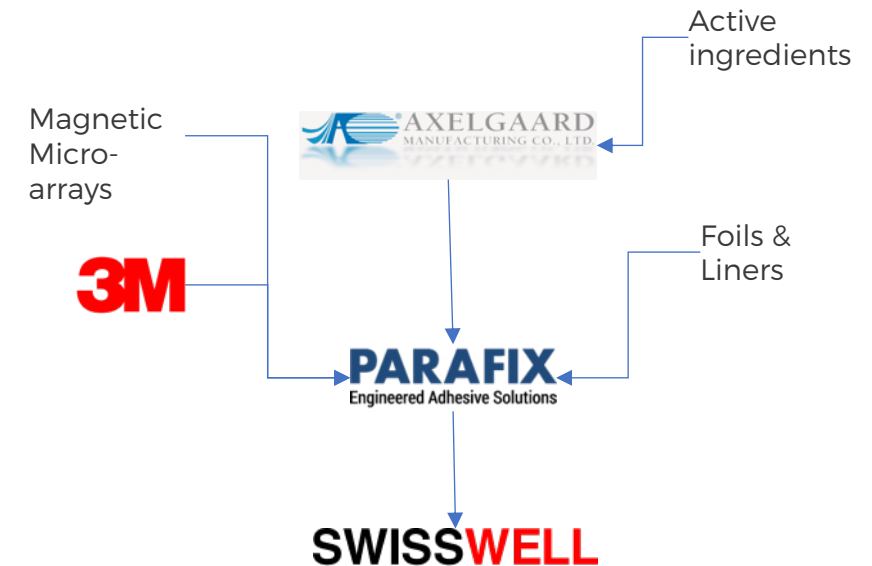
- High structural costs (eg hydrogel at US\$ +0.50/unit)
- Exposure to price increases (passed on)
- Little control in optimisation, alternatives to reduce costs (transformers' supply-chains, technology)

### RANGE

- Long and rigid chain (locked in current tech)
- Opportunity to extend to other joints with Lubricen
- Opportunities in developing other formulations and enhancing other active ingredients.

## SWISSWELL LUBRICEN

Supply-chain map



Current patch sourcing strategy sets limitations on market access: costs and competitiveness, as well as service levels – the ability to be flexible in supply, and possible range extensions.

# INSPECTING ALTERNATIVES FEB-AUG 2022

SYSTEMATIC EVALUATIONS ACROSS PRODUCT AND PROCESS

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## EXISTING HYDROGEL

- Stable and performing (permeability touch-feel)
- Asset intensive (high costs, long lead-times)
- Slow to optimise existing and develop new formulations



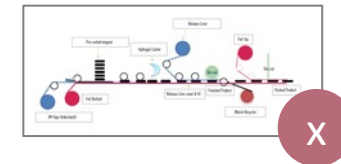
## GELATINE MATRIX

- Flexible for different formulations (gel)
- Product stability (matrix)
- Process feasibility and quality (non-continuous)



## OFFSET GEL PRINT

- Flexible for different formulations (gel)
- Continuous process
- Process stability and quality (gel vs inert component)



## MICRO-ARRAY LAMINATE

- Flexible for different formulations (gel)
- Process stability and quality
- Continuous process constraints (thermal processing)



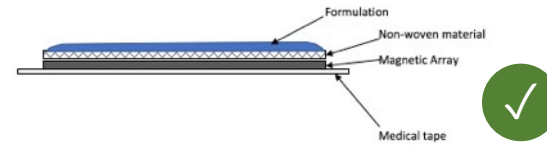
Over the past 6 months, multiple options for changing the structure and insourcing have been evaluated by the product, R&D and industrialization teams.

# BREAKTHROUGH INSOURCING SOLUTION AT -67% COST

## PRODUCT AND PROCESS PLAN FOR THE NON-WOVEN-TEXTILE PATCH

### PRODUCT STRUCTURE

- Active formulation applied to a non-woven material substrate
- Micro-array, kinesiology tape - as is



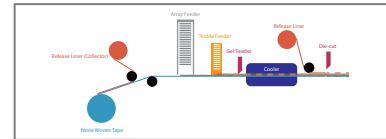
### PRODUCT PERFORMANCE

- Good formulation release
- Good product stability
- OK for multiple formulations



### PROCESS PERFORMANCE

- Continuous, flexible process
- Stable – good quality performance expected



### FACILITY INTEGRATION

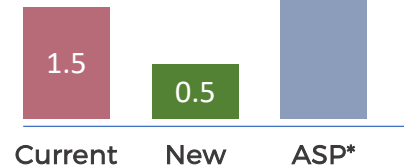
- Co-location at existing Lugano facility
- Regulatory adjustment: GMPc -> GMPp qualification



### 67% COSTS REDUCTION

Lubricen unit costs, US\$

54% -> 85%  
gross margin  
w/ current 50-50  
between B2B and  
B2C



Note: \*the US\$ 3.8 average sales price (ASP) is based on a 50-50% distribution between B2C (US\$ 4.5 ASP), and B2B (US\$ 2.0 ASP).

The gel-in-non-woven-textile solution has been selected for industrialization as the superior product and process structure in terms of performance, cost and feasibility.

# GETTING TO MAINSTREAM ECONOMICS IN FY2023

## BUSINESS IMPLICATIONS OF THE NEW PATCH STRUCTURE

### INCREASING ACCESS TO MARKETS ...

Cost structure is limiting access to market and channels

#### Currently Accessible

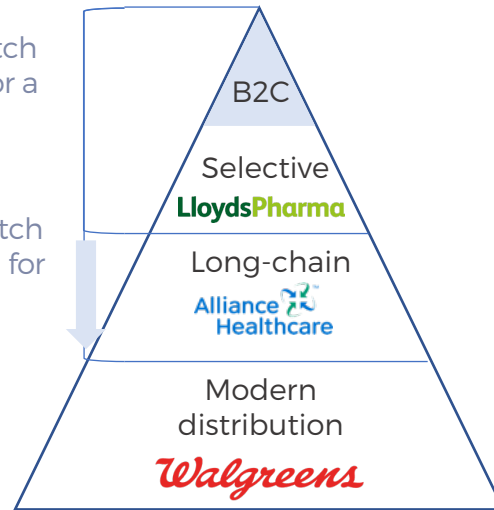
With US\$ 1.50 cost per patch  
50% B2B and 50% B2C for a  
total of 0.5 M units

#### Additional Access

With US\$ 0.50 cost per patch  
87.5% B2B and 12.5% B2C for  
a total of 2.0 M units

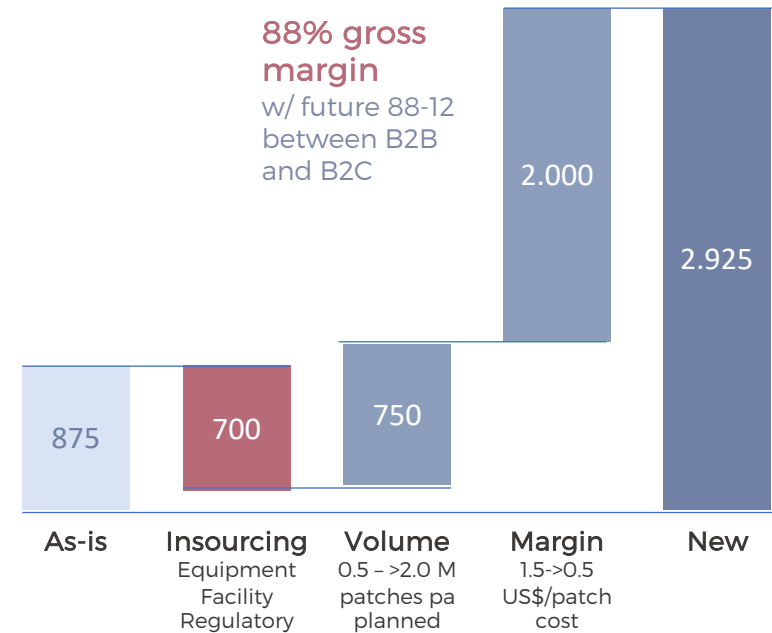
#### New Products\*

Other Lubricen  
joint patches and  
new formulations  
are not included!



### ... SIGNIFICANTLY IMPACTING FINANCIALS

Scenario gross margin contribution changes, in 000 USD\$



Insourcing the patches allows for competitiveness and service/availability needed to serve the mainstream markets resulting in an important positive impact on the overall business.

# KEY ASSETS AND FOCUS AREAS IN FY2023

CONTINUATION OF DEVELOPMENT ACTIVITIES

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## COMMERCIAL DEVELOPMENT

- Continue development of the RÉDUIT portfolio
- Build presence of SWISSWELL existing product (certifications)

## IN-HOUSE PATCH PRODUCTION

- Ensure SWISSWELL competitiveness - and availability
- Leverage existing Lugano operation and regulatory approvals

## SCALING EXISTING INFRASTRUCTURE

- Continue development of collaborations
- Seek cost efficiencies in existing perimeter

