WELLFULLY

2021 ANNUAL REPORT

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CHAIRMAN'S LETTER

Dear Shareholders,

I am delighted to present this report for Wellfully Group ("Wellfully" or "the Group") for the year that ended 30 June 2021. I would also like to invite you to read the Chief Executive Officer report by Paul Peros for a comprehensive review of our FY2021 operations and results.

I am happy to be able to report that with the work done through FY2021, Wellfully is now operating as a fully-integrated science-based wellness company – in line with our mission presented 2018. The year has been marked by focus on infrastructure development, and the corresponding diversification of commercial activities.

The Company has leveraged its technology portfolio to develop two disruptive consumer brands: RÉDUIT in premium beauty and SWISSWELL in healthcare and wellness. While RÉDUIT is celebrating its first birthday with a total of 10 applicator devices and 10 formulations across its unique Hairpods® and Skinpods®, SWISSWELL has finalised its go-to-market preparations and launched the long-awaited Lubricen™ knee pain relief patches in August 2021.

The existing products of Wellfully's in-house brands are now selling into the blockbuster consumer markets of personal care and beauty, beauty devices and pain relief patches. With a combined annual growth rate of 7.3%, these are expected to reach US$ 0.5T by 2026.

Leveraging two decades of enhanced drug delivery R&D, and the experience of numerous applications with international majors spanning beauty and healthcare, Wellfully is now delivering innovative, patented products, designed to disrupt these markets and claim its own positions in this multi-billion-dollar realities.

Sales of own branded products commenced in June 2020, and in addition to its direct-to-consumer marketing activities, RÉDUIT is already engaged with over ten reputable retailers across 8 countries, aiming to double its footprint in the short-term. SWISSWELL is not too far behind: the brand initiated its presales campaigns in August and planning to ship the first products in September 2021.

The new infrastructure, engineering and industrialisation capabilities and own product platforms have also proven highly attractive to global industry partners across health and beauty. In addition to ongoing technology licensing activities, Wellfully has also successfully engaged in joint development projects, as well as in 3rd party privately label collaborations in the course of the year.

I deem that with the 2021 Annual Report, we are finally seeing the fruits of the labor of the new Board and Management Team that are writing an exciting new chapter in their respective, already strong business development records.

Kind regards,

Tony Varano

CEO REPORT

FY2021 was a challenging, but important year for the Company. Notwithstanding the constraints presented by the ongoing COVID-19 pandemic, Wellfully has managed to complete the development activities set out across multiple fronts.

The Company has created an operations base and related infrastructure to allow for the capture of value beyond technology licensing. Developing engineering, industrialisation and topical formulation and production capabilities, as well as product management, distribution and channel and content marketing capabilities, Wellfully is now able to scale its vast enhanced drug deliveries technology portfolio across a series of commercial activities from industry collaborations, to direct engagement with consumers through its in-house brands.

With FY2021, the Company has become unique entity in the wellness space, combining proprietary technology with a fully-integrated operations infrastructure, as well as its consumer brands covering the premium beauty and wellness and health markets, ready to drive innovation from research, through engineering and its own product platforms, all the way to distribution and consumers.

In addition to its own brands, RÉDUIT and SWISSWELL, the year has also seen some of the first collaborations within the industry scaling the new asset base beyond traditional R&D activities.

We expect the FY2022 to be a year of growth and continued validation of both our technology and growth strategy. We aim to continue our work on further developing a solid basis for the sustainable creation of value.

In closing, I would like to thank all our employees on their efforts in building and developing our organisation that by now spans four teams across three continents, as well as our shareholders for their continued support and trust in our unique mission.

In continuation, you will find a brief overview of the key activities across Wellfully's key operation hubs across Australia, Asia and Europe.

ENHANCED DRUG DELIVERY INNOVATION LABORATORY

Perth, Australia

The Perth laboratory has been home to Wellfully's innovation for over 20 years now, profiling itself as one of the leading global centres for enhanced delivery technologies.

With 7 out of the total of 17 technology patents granted over the past couple of years, the Perth team, led by Wellfully's founder Mr Jeffrey Edwards, continues its work on new delivery technologies, driving the Company's innovation pipeline for years to come.

Beyond pure R&D, the lab remains critical to the operation of the Company also due to its long-standing tradition of product- and application-research. Through numerous collaborations with leading global companies across personal care and health, the team has gathered important project management and application development skillsets.

The team is also an integral part of the core product platforms development. From micro-magnetic arrays, to field-in-motion systems, or the recent in-situ separation of mixtures technologies, the Perth lab is making enhanced delivery a reality for all of Wellfully's products - and consumers around the world.

DEVICE TECHNOLOGY, ENGINEERING AND SOURCING CENTRE

Dongguan, China

Created in 2019, the Dongguan-based device technology and sourcing centre has continued to develop as the central hub of Wellfully's operation. In addition to its core focus on engineering and industrialisation of devices, Dongguan has been increasingly been supporting the activities of both the formulation labs in Switzerland, as well as the new SWISSWELL product range in arrival. From the primary packaging of Skin- and Hairpods of RÉDUIT, to the value chain of Lubricen, the Dongguan centre and its sourcing operation have allowed for both faster time-to-market, as well as additional competitiveness across all of Wellfully's operations.

Dongguan was selected as a location due to its unique positioning within one of the largest global technology and design centres. Placed in the Pear River Delta between Shenzhen and Guangzhou, Dongguan is home to world-leading consumer technology and design companies such as Apple and Luxottica. In addition to skilled and experienced talent, the Dongguan industrial district is also rich in high-quality suppliers and a competitive logistics infrastructure.

Wellfully's operation in Dongguan covers industrialisation engineering and tooling, new components sourcing, device assembly operations, as well as logistics and supply-chain management for all products of the Wellfully range.

FORMULATION LABORATORY AND TOPICALS PRODUCTION

Lugano, Switzerland

The work on the most recent of the additions to the Wellfully infrastructure has been initiated in January 2021, and completed only eight months thereafter. The project, initially planned for 2020, but delayed due to COVID-19 was accelerated in the course of the year in order to ensure the supply of RÉDUIT's Skin- and Hairpods.

Following a similar logic of ensuring the optimal location for the operation, Lugano in Southern Switzerland was chosen as it is within the globally renown Swiss pharma and biotech districts, as well as neighboring the cosmetics, beauty and personal care of Milano and Lombardy, one of the most important industrials centres of Southern Europe, rich in talent and specialist suppliers.

The operation is focused on the evaluation of new ingredients, regulatory NPD coordination, bulk production and filling operations for the RÉDUIT products. Current production capacity is at up to 10.000 units of Skin- and Hairpods per day. The facility is in the process of completing cGMP ISO 22716 certification.

From the consumer and positioning perspective, Lugano represents an important element of the "Swiss Made" for both of the Company's consumer brands.

Additional developments planned for the FY2022 period will also include increasing focus on the sourcing and product management activities beyond the RÉDUIT brand.

DIGITAL MARKETING, MEDIA AND CONTENT CENTRE

Zagreb, Croatia

The focus of the operation in Croatia is digital marketing, covering activities from asset creation and content management, to digital media and channel collaborations management.

The team is composed out of functional specialists with international backgrounds as the city has over the past years become a hub for some of the new global unicorn companies such as Bellabeat, Foreo and Rimac, that as of recently also includes the Bugatti brand.

In addition to specialist marketing functions ranging PR, media buying, e-commerce and content management, the site also represents an attractive location for shared service support activities such as customer care, logistics and administration, as well as a well-positioned base for the increasing commercial B2B activities in Europe, both in terms of talent availability and relative competitiveness.

Following a similar logic of ensuring the optimal location for the operation, Lugano in Southern Switzerland was chosen as it is within the globally renown Swiss pharma and biotech districts, as well as neighboring the cosmetics, beauty and personal care of Milano and Lombardy, one of the most important industrials centres of Southern Europe, rich in talent and specialist suppliers.

The organisation has grown dramatically over the past couple of years from less than 10 employees in Perth to over 100 across three continents. It remains the key asset of Wellfully in terms of driving growth and delivering value. The Company has taken great care to ensure that each of the sites was carefully selected and placed in the best-suited location in terms of competences, competitiveness, as well as brand- and market-related considerations, building a foundation for the years to come.

The developments of the infrastructure of the Company, have also placed Wellfully in a unique position in terms of commercialisation opportunities. A fully-integrated value chain, combined with proprietary technology and innovative products positioned to engage in and potentially disrupt blockbuster markets such as beauty and personal care, or wellness were quick to draw partner companies and open doors to novel collaboration opportunities.

TECHNOLOGY LICENSING - **R&D based**

Wellfully is continuing with its traditional commercial activities, working with multinational partners in beauty, personal care and health in bringing enhanced delivery innovation in the form of ad hoc, tailor-made solutions.

While the P&G collaboration was adjusted in order to allow the company use of its technologies in skincare, a number of projects with the partner company are still ongoing.

Wellfully has also been increasing prospecting activities through the year engaging in a series of new opportunities in healthcare.

Historically, the activity has been contributing A$ 1-2 M in revenues to the Company, and we hope that the current portfolio of 2-3 interesting projects in the pipeline will allow Wellfully to maintain, or even develop this commercial channel even further.

JOINT DEVELOPMENTS – **Engineering & Sourcing based**

The new engineering and sourcing capabilities have allowed Wellfully to engage in commercial opportunities beyond the technology licensing. Joint development project prospecting activities have been underway through FY2021 with several potential partner companies.

In addition to core technology, engineering and sourcing, these are also likely to allow for industrial synergies and scale in execution. Wellfully is currently evaluating opportunities with two partner companies in the beauty and personal care space.

Joint development collaborations should also allow for higher capture of more value in terms of unit value for the products, or system components in discussion.

PRIVATE LABELS – **Product & Manufacturing based**

The new industrial infrastructure has opened the commercial opportunities that allow for the scaling of developed product and related industrial assets in the form of private label collaborations.

Project have been evaluated in terms of complementarity and fit with the positioning of the partner brands and networks.

The Company has engaged in a collaboration with BORK, a luxury retailer in Russia, initiating the first phase of A$ 0.7 M out of a total target of A$ 2.0 M in value for the first year engaging both the Dongguan as well as the Swiss operation for the production of products based on the RÉDUIT platform.

Additional collaborations of that nature are in discussion with another potential partner company.

OWN CONSUMER BRANDS – **Marketing & Communications based**

With RÉDUIT in premium beauty and SWISSWELL in health and wellness, Wellfully has launched its own consumer brands through the past year.

In addition to scaling its complete infrastructure including marketing and communications assets, the Company is also gathering important knowledge through direct engagement with consumers, of value for the upstream collaborations.

In addition to the generation of direct sales, the development of and the experience with in-house consumer brands is already providing the Company with valuable information needed to further optimize the value and ensure success in industry collaborations.

RETAIL COLLABORATIONS – **Joint Marketing Placements**

Over the past 12 months, RÉDUIT has established collaborations with 10 retailers in 8 markets. These have been selected in terms of positioning fit and potential to boost the brand's reach and engagement with consumers.

The current retailers landscape spans beauty verticals such as Cult Beauty and Lookfantastic as well as selective beauty chains such as Douglas. Wellfully aims to double its commercial retailer footprint in the short term across new geographies in order to also ensure diversification needed to reduce exposure to COVID-19-related lockdowns.

Retail collaborations also represent an important engagement and learning ground in the form of joint marketing campaigns undertaken with partner companies, allowing the Company's brand to engage with consumers beyond its stand-alone perimeter.

As the new infrastructure has become operative, Wellfully was quick in the commercial scaling of its new assets: from engaging R&D in technology licensing, to using new engineering and sourcing capabilities in joint development collaborations, product and industrials assets for private label projects, and in-house content and consumer marketing in working with own in-house brands, or with 3rd party retailer collaborations, the Company is maximizing value capture along the complete value chain and, at the same time, reducing commercial exposure and risk to single collaboration modalities, or partners.

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. At the time of his appointment, Mr Wright was an Executive Director of LOD, a global leader in the legal, risk and compliance services market. Mr Wright had previously founded Lexvoco and sold it to LOD/Bowmark Capital in 2019 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.

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.

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 $123,322.

RÉDUIT

In French 'RÉDUIT' means 'reduced'

We reduce packaging. Amplify results.
Reduce time. Amplify efficacy.
Reduce steps. Amplify beauty.

Our products are free from unnecessary ingredients that offer little benefit to skin and hair. Instead, we concentrate the actives to deliver maximum benefit and minimum waste.

The RÉDUIT Enhanced Delivery Technology is answering the industry's biggest challenges – ineffective application and avoidance unnecessary ingredients used in formulations while allowing for a new paradigm in sustainability.

Our proprietary Enhanced Delivery Technology - Magnetic Misting utilizes diamagnetism in water and other compounds to improve skincare and haircare treatment delivery by increasing partitioning of actives from the formulation and the effectiveness of absorption itself.

The RÉDUIT devices contain a small, non-invasive induction magnet that helps push the treatment actives from the formulations, deeper into the skin, breaking through the initial protective barrier.

RÉDUIT is poised to foster new standards of sustainability in the beauty industry. It's at the core of our name - 'RÉDUIT'.

Our brand ethos is to deliver a superior performance using a fraction of product applied, all in the form of user-friendly, attractive products. We are actively aligning our testing activities to focus on real life applications, relevant for consumers and their understanding of the advantages of enhanced drug delivery.

RÉDUIT Applicators

Medical-grade Silicone
Non-porous and clean for every-day use.
Non-slippery.
Beautiful to touch.

Smart Swiss Design
Intelligent, waterproof, one-touch innovation.

Long Lasting Battery
Travel friendly.
3-month charge.

Premium touch & feel of the application surface. easy to clean, tear resistant.

Multi-LED Indicators
Charge cycle indication
Battery status and operation

QR Code Serial Number
Unique serial number.
Easy to scan for registration and warranty.

Micro-USB Charging
Ease of charge anywhere in the world
Small and compact

Waterproof
Worry-free use and handling in all situations

Hair & Skinpods®

Smart Skinpods™ / Hairpods™
Automatic electronic formula recognition

Highly concentrated actives in formulas

Limited non-actives and secondary ingredients

Bi-directional cap seal
Prevent leakage and product drying

Ultrasonic Diffusion Ceramic transducer for mist creation

Only 5 ml volume,
equivalent to 100- 200 ml of traditional product

Return & Renew program
sustainability cycle completed

Swiss Made
Developed & produced in RÉDUITs Lugano lab

The RÉDUIT system is composed out of the applicator device and the topical formulations contained in the Hairpods and Skinpods, small but smart 5 ml containers with concentrated actives good for 20-30 uses by the consumer.

The RÉDUIT system in universal: one applicator device can be used with multiple skin- and haircare products.

The effectiveness of treatment is tested for Enhanced Delivery across all formulations, both in laboratory conditions, as well as in field trials to ensure superior performance for the consumer.

With the 5 ml Hair- and Skinpods being equivalent to 100 ml of traditional products, RÉDUIT is also performing on the sustainability dimension both in terms of product, as well as packaging materials and logistics. In addition, RÉDUIT also offers the global Return and Renew program to receive and refurbish, or recycle used pods in return for attractive rewards in the form of coupons.

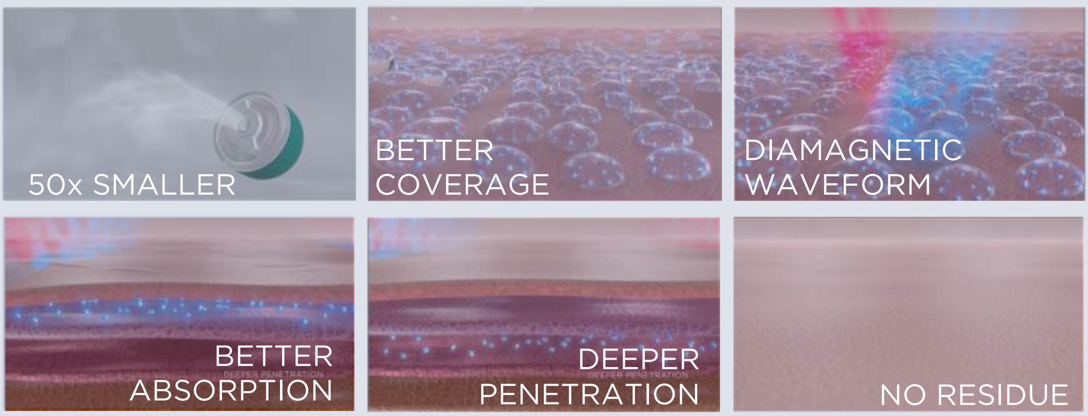
Last, but not least, the ergonomics of the system are respected in every single design dimension, making sure that the applicators and pods are intuitive and simple to use: one-button operation, automatic pod formulation recognition and a product that is always ready to use, are just some of the criteria that were applied in the creation of the RÉDUIT system.

The Company has taken utmost care in order to provide a high-quality product with carefully selected materials and great attention to detail in the execution of a product that is both performing and easy to use, as well as attractive to engage with in order to ensure both initiation adoption of the innovation, as well as continuous engagement and exploration of new products for users that have started using Hair- and Skinpods in their beauty routines.

Ultrasonic diffusion allows for the creation of smaller droplets and more effective application: the droplets, 50x smaller than a traditional spray allow the perfect amount of formula to reach and evenly distribute in order to get better coverage on the surface of the skin or hair

Magnetic misting helps create a super-fine film and by reducing the surface tension. In addition, the RÉDUIT devices generate diamagnetic forces to give energy to the diffusion, enhancing the absorption of active ingredients, and placing active ingredients deeper in hair and skin.

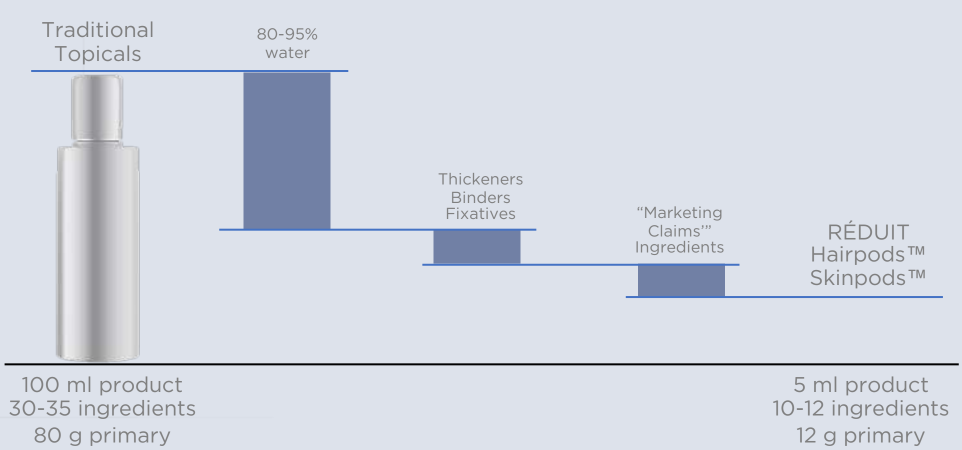
ENGINEERED FOR EFFECTIVE DELIVERY ....



By using concentrated actives, the total product and material for packaging is reduced by 20x for unparalleled sustainability performance.

At the same time, the lightweight formulas reduce the total number of non-active ingredients for better performance and less residue.

... AND A NEW SUSTAIBILITY PARADIGM



The RÉDUIT brand has been building communication channels, both on own platforms, as well as through engagement with traditional PR. The novelty factor has greatly contributed to a number of prominent placements achieved in the course of the first year of operation.

Given, the significant innovation of the RÉDUIT system itself, owned channel communications are focused on top-of-the-funnel activities such as general awareness and education. In this, multiple touchpoint strategies and content-oriented formats such as YouTube videos with influencers, or blogs and newsletter were key.

SOCIAL MEDIA

Powerful advertising campaigns

Influencers & KOLs

NEWSLETTER

RÉDUIT newsletters deliver quality content to a growing number subscribers

Valuable data & cheap conversions

EARNED MEDIA

VOGUE GQ Forbes BAZAAR WWD GLASS REFINERY29 M BeautyMatter. Maddyness

Content generation for unpaid coverage in the world's largest publications.

RÉDUIT BLOG

RÉDUIT blog provides comprehensive, but tailored information to engage users

On the B2B communications front, the Company continues to leverage and cultivate the extensive industry network of the leadership and senior management teams.

In addition, RÉDUIT is engaging in the first trade and industry fairs and exhibition following the initial presentation at CES in Las Vegas and the subsequent outbreak of COVID-19.

The first retail placements have also allowed for opportunities in joint marketing campaigns that are being undertaken with the new retail partners of the brand.

Across RÉDUIT's many commercial channels, consumer-focused campaigns will be executed for the key promotional periods such as the Singles Day, or Black Friday across interested markets.

Direct engagement with consumers through the first year of operation has also allowed for valuable insights in the purchasing behavior of consumers.

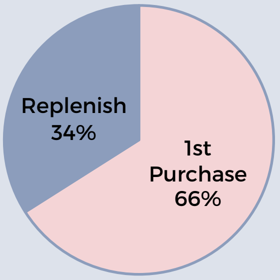
Given the level of novelty of the RÉDUIT system, understanding consumers is key in optimizing messaging and communications, but also engaging in possible product and supporting materials improvements.

The key performance dimensions in this development phase were repurchase and cross-category sales patterns.

Purchase Type

NEW (with device) vs REPLENISHMENT (topical-only) PURCHASE

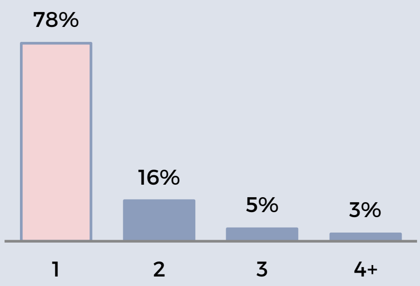
Pipeline Evolution



Repurchase Frequency

PERCENTAGE OF ORDERS AS PURCHASES BY THE SAME CONSUMERS

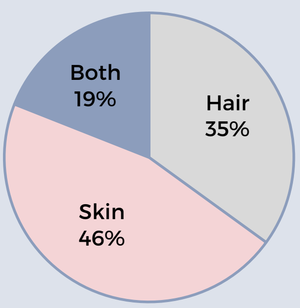
Customer Retention



Application Purchases

PERCENTAGE OF ORDERS BY APPLICATION (skin, hair, or both)

Offer Versatility



Selling in new devices and increasing the overall base is important. Still, with commercial sales at <12 months since start, and new applicator devices launches as late as April, the mix is already significant in terms of the presence of replenishment sales, that is, sales of Hairpods and Skinpods-only by consumers that have already purchased the device.

While most of the marketing activities are focused on top-of-the-funnel, we've also started to follow and support, primarily via CRM, the repeat sales of Skin- and Hairpods actively.

Being able to act on the CLV parameter (customer lifetime value), we can successfully gauge and plan customer acquisition costs in order to continue to expand RÉDUIT's customer base.

Another key indicator in monitoring purchasing behavior is the mix and the cross-selling between application categories, a direct link to the universality value proposition of the RÉDUIT system.

Seeing both a health balance between hair and skin applications, as well as a health development of a customer pool engaged across both categories represents a validation of the initial approach to the topicals range spanning hair- and skincare, as well as a good initial signal for the recently launched UNI (universal) applicator device range,

For personal use only

Be more than a device brand, be a wellbeing movement.

SWISSWELL is a modern biotechnology brand guided by creating wellness products that address the challenges of millions of people around the globe who are looking for more sustainable approach to health and wellness.

We are reimagining therapeutic technology because we want to improve and extend overall quality of people's lives.

We use innovative approaches and breakthrough technology to address some of society's most challenging and evolving needs.

Backed by technology, informed by science, SWISSWELL is transforming active lifestyles with the world's first technology enhanced joint management system - the Lubricen® knee patch.

Lubricen®, is an adhesive knee patch worn on the knee to lubricate the joint before, during and after physical activity.

Born from the desire to create a better way to treat joint pain and help to reduce people's reliance on painkillers, the Lubricen® Knee Patch is a direct-to-consumer, drug-free remedy for knee joint inflammation that works directly at the site of injury and helps empower people to take control of their condition and continue to live an active and fulfilling life.

Harnessing the power of Lubricen's® patented transdermal delivery system, this little power patch starts working immediately after application and continues to work for up to 24 hours. The formulation incorporates key aggrecan compounds (known to stimulate the body's production of joint lubrication) into a hydrogel structure that makes for easy application to the skin with minimal residue.

The key feature of the patch is the patent protected diamagnetic micro-array technology. It assists the transporting of key ingredients across the skin and into tissue around the knee. The technology helps push these large sized molecules through skin, which have difficulty penetrating the skin relying on absorption alone.

The key ingredients are contained in a drug-free formulation (Glucosamine Sulfate, Chondroitin Sulfate, and Menthol, acting as a sensory agent). These ingredients are known to be precursor aggrecans required by the body to produce synovial fluid - the body's natural joint lubricant.

Lubricen® knee patch provides hope to millions of people around the world with a safe, long-term remedy to knee pain by addressing the underlying cause of inflammation, letting people maintain their healthy lifestyles.

The SWISSWELL Lubricen knee patch is the ongoing solution for knee pain without any fear of side effects.

With a drug-free formula, the Lubricen® knee patch harnesses Wellfully's diamagnetic micro-array technology that is embedded in the knee patch, which helps push the active molecules contained in the formula deep through the skin barrier and into the tissue around the knee.

The SWISSWELL innovation start with Lubricen, a product that provides a new meaningful solution poised to change consumers' lives for the better, and all within a blockbuster market of pain relief patches of over US$ 9 B.

MAGNETIC MICRO– ARRAY

Achieves deeper penetration of active ingredients.
Starts pushing molecules as soon as applied to skin

DIAMAGNETIC REPULSION

Pushes molecules of different sizes and properties out of formulation

CLINICALLY VALIDATED

Clinically proven to improve mobility and function

DRUG-FREE PAIN RELIEF

A synthetic blend of key ingredients known to improve cartilage function.
Safe for regular and ongoing use.

STARTS WORKING IMMEDIATELY

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

1. 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-and-forecasts-to-2026-2021-08-09

Lubricen uses proven compounds that are delivered effectively. It is a validated and safe alternative to NSAID's (e.g. ibuprofen). SWISSWELL Lubricen is a formulation containing Chondroitin Sulphate, Glucosamine Sulphate, Menthol, delivered via diamagnetic repulsion to enhance transdermal penetration.

FORMULATION RATIONALE

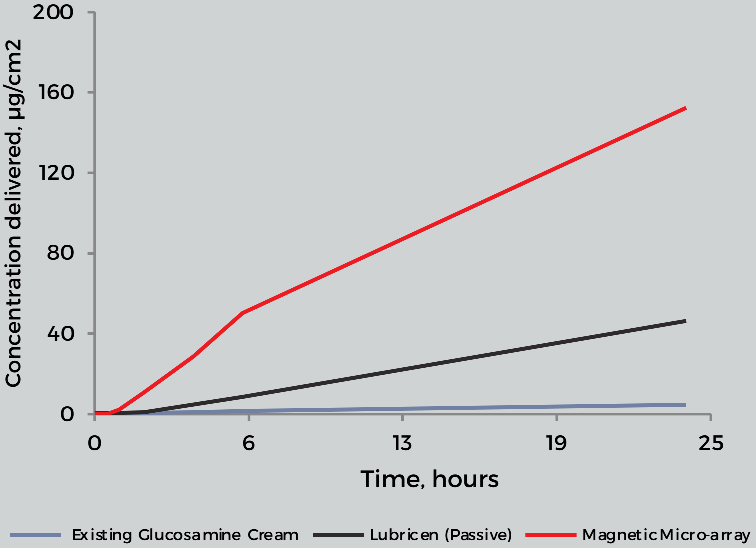
Glucosamine-sulphate & Chondroitin Sulphate

Extensively used to treat OA (bioavailability variable for different formulations)

Evidence of anti-inflammatory, antioxidant and anti-catabolic effects[3]

Pharmacoeconomic analysis shows reduced need for NSAID medications and reduced need for total joint replacement at 5 years[4]

GLUCOSAMINE PENETRATION COMPARED OVER TIME



DELIVERY RATIONALE

As demonstrated in the Chart (right), Wellfully's magnetic micro-array can deliver compounds deep into the epidermis, providing advantages over:

Oral Delivery – where bioavailability can be poor

Intra-articular injection – significant hurdle for administration and compliance

1. (Balazs 2004) .2. Systematic review of meta-analyses (Campbell et al 2015) and Expert Consensus statement (Henrotin et al 2015) 3. (Henroitin and Lambert 2013). 4. (Bruyere et al 2016)

CLINICAL VALIDATION OF SWISSWELL LUBRICEN

SWISSWELL

CLINICALLY PROVEN TO IMPROVE MOBILITY AND FUNCTION

Successful results with equivalent or even superior outcomes across all parameters of the trial

Trial Summary

Evaluation of transdermal delivery of key ground substance components in comparison to an established non-steroidal anti-inflammatory formulation in subjects with prior knee injury[1]

Trial Type

Randomised, Controlled, Equivalence Trial

Trial Comparison

Compared SWISSWELL Lubricen Knee Patch and a topical NSAID formulation (Diclofenac sodium gel 1%[2]) administered X2 daily over a 2 week period

Participants

114 Male subjects aged 40 - 55 years

Good general health

Currently participating in regular physical activity (>2 hours per week)

Prior history of knee injury requiring arthroscopy surgery, and/or prolonged history of recurrent knee pain (>2/10 on pain numerical rating scale)

At increased risk of developing knee OA

Outcome Measures

Aggregated Function Score

- Timed 10m shuttle run
- Timed Balsom agility run
- Timed Stair climb
- Timed step test

Total time to complete all tests

Knee injury and Osteoarthritis Outcome Score (KOOS) (Roos et al 1998)

- 3 Subscales: Pain, Function, Sports Function (normalized)

Pain numerical rating scale

- 11 point scale – 0=no pain, 10=worst pain (Two Strata = Average pain, Worst pain)

Analysis – Intention to treat – Linear mixed effects modelling

CLINICAL VALIDATION OF SWISSWELL LUBRICEN

SWISSWELL

CLINICALLY PROVEN TO IMPROVE MOBILITY AND FUNCTION

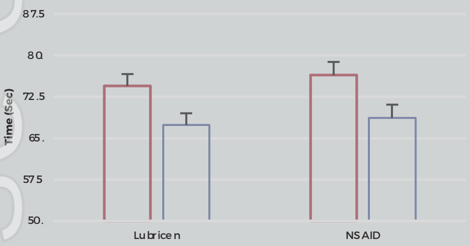
**A. WRIGHT[1], B. VICENZINO[2], J. EDWARDS[1], G. TSADILAS[1], P. LAWRENSON[2], A. KHAN[2], A. STEPHENSON[2], L. HEALES2, B. ANDRIANI1, OBJ LTD1, UNIVERSITY OF QUEENSLAND2

PHYSICAL FUNCTION

Product	Pre	Post	(%)
Lubricen	74.4	67.4	(9.4%)
NSAID	76.4	68.6	(10.2%)

Equivalent Results
0.8% NSAID Outperformance

=

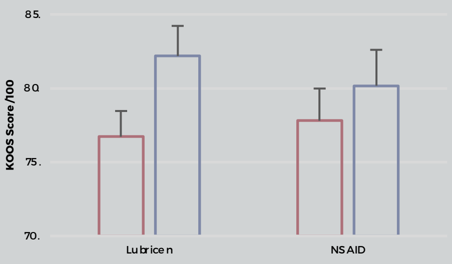


KOOS FUNCTION

Product	Pre	Post	(%)
Lubricen	76.7	82.2	7.2%
NSAID	77.8	80.1	2.9%

Equivalent Results
4.2% Lubricen Outperformance

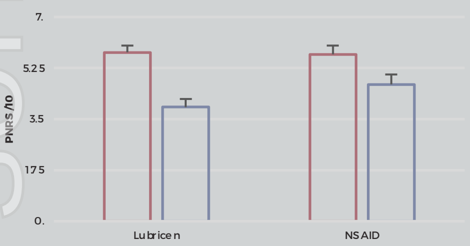
=



PAIN: WORST PAIN STRATUM

Product	Pre	Post	(%)
Lubricen	5.8	3.9	(32.7%)
NSAID	5.7	4.7	(17.5%)

Superior Results
15.2% Lubricen Outperformance

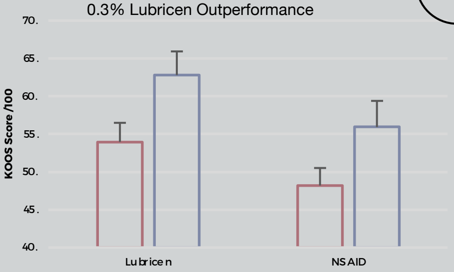


KOOS SPORT

Product	Pre	Post	(%)
Lubricen	54.0	62.8	16.3%
NSAID	48.2	55.9	16.0%

Equivalent Results
0.3% Lubricen Outperformance

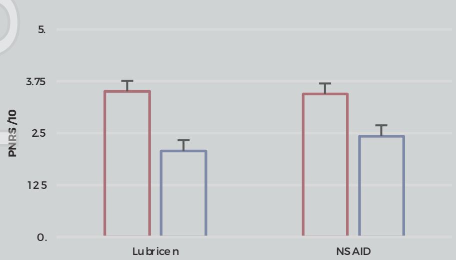
=



PAIN: AVERAGE PAIN STRATUM

Product	Pre	Post	(%)
Lubricen	3.5	2.1	(40.0%)
NSAID	3.4	2.4	(29.4%)

Superior Results
10.6% Lubricen Outperformance

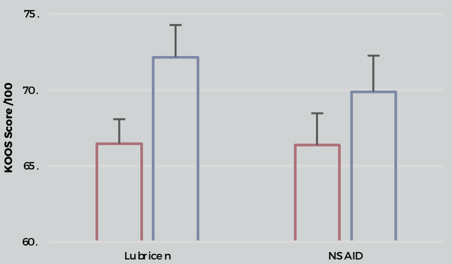


KOOS PAIN

Product	Pre	Post	(%)
Lubricen	66.5	72.2	8.6%
NSAID	66.4	69.9	5.3%

Equivalent Results
3.3% Lubricen Outperformance

=



The SWISSWELL launch represents the initiation of a clearly defined sales strategy:

Stage 1 Initiated – Direct to Consumer Campaign

Wellfully launched the SWISSWELL Lubricen patch in August 2021 via an exclusive Direct to Consumer (DTC) campaign

Consumers accessed the introductory offers by invitation or pre-registration and can choose from three different product packs

The DTC Campaign is an effective, low-cost strategy to initiate sales

Next Steps – Replicate RÉDUIT Marketing and Sales Strategy

Advance the marketing and sales initiatives via the engagement of key opinion leaders, influencers, notable publications and third-party distributors, both online platforms and brick & mortar

The Company looks forward to updating the market on the progression of SWISSWELL as these initiatives materialise

Significant Commercial Opportunity

The Global Pain Relief Patches market size is projected to reach US$9.4bn by 2026, from US$6.0bn in 2020, at a CAGR of 7.8%[1]

1. 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-and-forecasts-to-2026-2021-08-09

DIRECTORS' REPORT

The directors present their report on the results of Wellfully Limited and its controlled entities (the "Consolidated Entity") for the year ended 30 June 2021.

DIRECTORS

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

Mr Antonio Varano Della Vergiliana

Mr Jeffrey David Edwards

Mr Steven Lorn Schapera

Mr Cameron Reynolds

Mr Anthony David Wright (appointed: 14 April 2021)

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year ended 30 June 2021 were research and development for its Dermaportation and ETP transdermal drug delivery technologies, as well as sales and marketing activities detailed in the Chief Executive Officer's report.

There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial year other than those referred to in the Chief Executive Officer's report.

OPERATING RESULT AND FINANCIAL POSITION

The net consolidated loss of the Consolidated Entity after providing for income tax amounted to $6,397,257 (2020: loss of $3,713,117).

The net assets of the Consolidated Entity at 30 June 2021 were $2,308,611 (2020: net liabilities $1,219,031). At that date, there was cash and cash equivalents of $2,725,636 (2020: $612,172).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid during the year ended 30 June 2021.

The Board has not made a recommendation to pay dividends for the period to 30 June 2021.

REVIEW OF OPERATIONS

The Consolidated Entity continues to pursue development of its Dermaportation and Enhanced Transdermal Polymer (ETP) technologies, review its intellectual property assets and evaluate new business opportunities to strengthen its technology and/or product portfolio with the objective of enhancing shareholder value, as well as sales and marketing activities relating to the Company's brands RÉDUIT and Swisswell. Further details are noted in the Chief Executive Officer's report section of the Annual Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Consolidated Entity other than those referred to in the Chief Executive Officer's report.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

Certain information regarding future developments has been disclosed in the Chief Executive Officer's report. The disclosure of expected results of likely future developments is likely, in the opinion of the directors, to result in unreasonable prejudice to the interests of the Consolidated Entity and accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATION

The Consolidated Entity is not affected by any specific environmental legislation.

INFORMATION ON DIRECTORS

Mr Antonio Varano Della Vergiliana

Mr Varano has more than 30 years experience across Australia, Europe and the USA, operating and managing successful entrepreneurial, corporate and investment pursuits. This experience has covered start up, funding and growth, corporate operations, executive management and business exits. His expertise spans retail, cosmetics, skincare, real estate, agriculture, publishing, construction, entertainment and the arts. Many of these businesses have achieved a dominant position in the markets in which they operate. New York-based, Mr Varano holds Board and investment positions in several companies he has either founded or invested in at an early stage. Mr Varano studied business at the Western Australian Institute of Technology, and an MBA at the University of Western Australia. During the past three years, Mr Varano has not held a directorship in any other listed companies.

Interest in shares at 30 June 2021: 3,393,997

Interest in listed options at 30 June 2021: 477,778

Mr Jeffrey Edwards

Mr Edwards is the founder and Managing Director of the Company and has led the Science, Technology and Innovation activities from the Company's inception. Mr Edwards is responsible for Licensing and Partnering programs with Procter & Gamble and other partners, Intellectual Property and Technology Innovations. He is the recipient of an Australia Design award, and Product Innovation and Partnering awards from Procter & Gamble Consumer Products Divisions. During the past three years, Mr Edwards has not held a directorship in any other listed companies.

Interest in shares at 30 June 2021: 2,021,550

Interest in listed options at 30 June 2021: 1,347,701

Mr Steven Schapera

Mr Schapera founded the successful BECCA Cosmetic brand (www.beccacosmetics.com) and commercialised it into a range of cosmetic products that were distributed throughout Europe, Asia and North America. Mr Schapera guided BECCA from its infancy through to being a global player in the luxury cosmetic space. In 2016, BECCA was sold to Estee Lauder for more than US$230 million. Mr Schapera is Chairman of BECCA Holdings Pty. Ltd.; he serves as a non-executive Director on the Board of Invincible Brands GmbH., arguably Europe's most successful influencer-marketing business, and recently assisted with their partial sale to Henkel. He is also Founder and Managing Director of London-based Lab Brands Limited and is a non-executive Director of Wild Nutrition Ltd, a fast-growing player in the vitamin and mineral supplement space. Mr Schapera is Chairman of ASX-listed Crowd Media Holdings Ltd, headquartered in the Netherlands. During the past three years, Mr Schapera has not held a directorship in any other listed companies other than those detailed above.

Interest in shares at 30 June 2021: 4,359,504

Interest in listed options at 30 June 2021: None

Mr Cameron Reynolds

Mr Reynolds is the President, Chief Executive Officer (CEO) and Director of VolitionRX, a biotech company which listed on the New York Stock Exchange (NYSE) in February 2015 after being founded by Mr Reynolds in 2010. He has extensive experience in the management, structuring, and strategic planning of start-up companies and has held positions including CEO, Chief Financial Officer and Non-Executive Director of public and private enterprises. During the past three years, Mr Reynolds has not held a directorship in any other listed companies.

Interest in shares at 30 June 2021: 829,166

Interest in listed options at 30 June 2021: 133,333

Mr Anthony Wright

Mr Wright is an experienced senior executive with more than 20 years of experience across leadership, commercial, legal, governance, strategy, sales and marketing roles in leading global and Australian organisations including Transpacific Industries Group Ltd (now Cleanaway Ltd) and the PGA Tour. Until recently, Mr Wright was an Executive Director of LOD, a global leader in the legal, risk and compliance services market. He leads its consulting, services and innovation divisions. Prior to this, he founded and was Chief Executive Officer of Lexvoco, an award-winning legal, risk and compliance services and tech business commenced in 2014 which employed 100+ staff and operated in Australia, New Zealand and Japan. Lexvoco was acquired by LOD/Bowmark Capital in 2019. He held multiple senior executive roles at Transpacific Industries including Group General Counsel and General Manager, Strategy and Systems, and he was a Director for the PGA Tour, commercialising and promoting professional golf tournaments in Asia Pacific, after earlier legal and accountancy-related positions. His qualifications include Bachelor of Laws, Bachelor of Business (Accounting), Master of Laws, MBA, and he is Lean Six Sigma (Green Belt) qualified and a Graduate of the Australian Institute of Company Directors. Anthony is admitted as a solicitor in Australia and New Zealand. In addition to his directorship with the Company, Anthony is also a director with Ausroad Blast Technologies, a joint venture with Ausroad Systems and the University of Queensland focused on the automation of drilling and blasting at mine and infrastructure sites. During the past three years, Mr Wright has not held a directorship in any other listed companies other than those detailed above.

Interest in shares at 30 June 2021: 833,333

Interest in listed options at 30 June 2021: None

COMPANY SECRETARY

Mr John J Palermo B.Bus, FCA, AGIA

Mr Palermo is a Chartered Accountant with over 20 years experience in Public Practice. His areas of expertise are in corporate advisory, strategic business management and business structuring. Currently a Director of Palermo Chartered Accountants, he has experience in public company accounting and administration. Mr Palermo is a Director and Chairman of Chartered Accountants Australia and New Zealand and Deputy Chairman of the Royal Perth Hospital Medical Research Foundation. He is also a Director of ASX listed Alterra Ltd.

CEO

Mr Paul Peros

For over 25 years, Paul has been working on growth-orientated performance strategies and disruptive innovation, developing brands and businesses for challenges in an ever-changing world and the 'new normal'. Prior to Wellfully, Paul led a number of successful engagements in luxury consumer products and beauty-tech. Paul was the CEO of Swedish brand FOREO, from its 2013 inception, to what was effectively global market leadership with over USD 1 billion in revenues and a presence in over 80 countries achieved in a short period of five years. In addition to his zeal for innovation across all activities of an organisation, Paul's drive is also rooted in his extensive experience in management consulting. He was part of the Milan-based GEA for over 10 years, engaging with global leaders on product and brand development. Paul holds an MBA from IMD, Lausanne and a BS in Physics from UCLA.

CFO

Mr Sergej Dolezil

Sergej Dolezil took the role of Wellfully's CFO effective 1 May 2021. Mr Dolezil began his career with one of the Big Four global accounting firms working in audits, international business consulting and M&A, as well as tax advisory. 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 M&A, fundraising, and general financial planning and administration management roles. Mr Dolezil is based in Wellfully's Zagreb office.

DIRECTORS' MEETINGS

During the financial year ended 30 June 2021, the Company held directors' meetings, including directors' resolutions. The total number of meetings attended and circular resolutions executed by each director were:

		Board Meetings		Resolutions
		Number Eligible to Attend	Number Attended	Number Executed
Mr A Varano Della Vergiliana		5	5	24
Mr J D Edwards		5	5	24
Mr S L Schapera		5	5	23
Mr C Reynolds		5	5	24
Mr A D Wright	(appointed: 14/04/2021)	1	1	3

EVENTS SUBSEQUENT TO REPORTING PERIOD

On 5 July 2021, the Company announced the Unmarketable Parcel Sale Facility had closed. The total number of shares sold under the Facility was 4,205,518 shares at a price of $0.0502 per share.

On 14 July 2021, the Company announced that it had been granted a trademark for SWISSWELL by the Swiss Federal Institute of Intellectual Property.

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, which has not been announced to the market.

SHARE OPTIONS

As at 30 June 2021, there existed the following options:

Unlisted Options

6,150,000 unlisted options, exercisable at $0.10 on or before 19 August 2023.

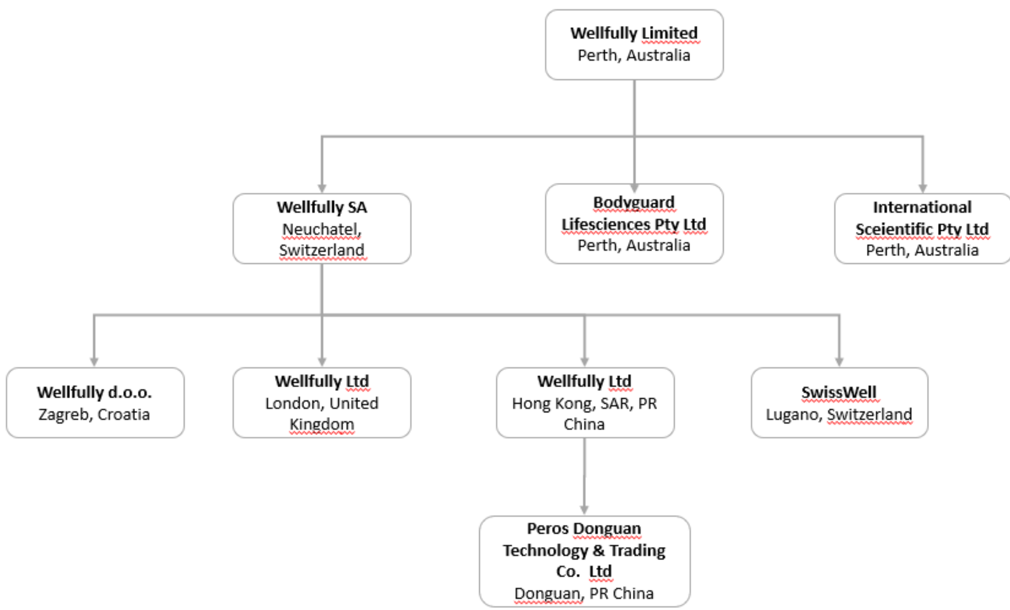
Listed Options

154,986,434 listed options, exercisable at $0.15 on or before 31 March 2023.

CORPORATE STRUCTURE

Wellfully Limited is a company limited by shares that is incorporated and domiciled in Australia with its principal place of business at Ground Floor, 284 Oxford Street, Leederville, Western Australia.

Wellfully Limited has prepared this consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in the following illustration of the Consolidated Entity's corporate structure:



REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of the Consolidated Entity.

Remuneration policy

The Board receives independent advice on remuneration policies and practices generally, and also receives specific recommendations on remuneration packages and other terms of employment for senior executives. There is no use of external remuneration consultants during the year ended 30 June 2021.

Executive remuneration and other terms of employment are reviewed annually by the Nomination and Remuneration Committee and the Board having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Consolidated Entity's operations.

Remuneration of non-executive directors is determined by the Board (following recommendations from the Nomination and Remuneration Committee) within the maximum amount approved by the shareholders from time to time.

The Board undertakes an annual review of its performance against goals set at the start of the year.

At the 2020 AGM, 43% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020.

Directors and Executives Remuneration:

The Board is responsible for making recommendations on remuneration packages and policies applicable to board members and senior executives of the Consolidated Entity. The remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Directors' remuneration is arrived at after consideration of the level of expertise each director brings to the Consolidated Entity and the time and commitment required to efficiently and effectively perform the required tasks.

Remuneration of Executive Director

Jeffrey Edwards is paid a salary of $208,050 per annum inclusive of compulsory superannuation contributions.

Remuneration of Non-Executive Directors

Antonio Varano is paid $40,000 per annum plus the USD equivalent of £6,300 per month, paid quarterly in arrears for consulting fees.

Steven Schapera is paid $40,000 per annum plus £6,300 per month, paid quarterly in arrears for consulting fees.

Cameron Reynolds is paid $75,000 per annum, paid quarterly in arrears for director fees.

Anthony Wright is paid $40,000 per annum, paid quarterly in arrears for director fees.

Remuneration of CEO

Paul Peros' remuneration is EURO 30,000 per month, paid by a combination of cash and ordinary shares with EURO 24,000 in cash and EURO 6,000 in ordinary shares.

Remuneration of Directors and Executives

	Primary	Cash	Non-	Post Employment		Equity	Other	TOTAL
	Salary &	Bonus	Monetary	Superann-	Retirement		Benefits	
	Fees ($)	($)	($)	uation ($)	Benefits ($)	($)	($)	($)
Parent Entity Directors and Executives								
Varano Della Vergiliana, A: Director (non-executive)								
2021	177,599	--	--	--	--	--	--	177,599
2020	140,233	--	--	--	--	--	--	140,233
Edwards, J D: Director (executive)								
2021	190,000	24,658	--	20,392	--	--	--	235,050
2020	271,263	--	--	20,207	--	--	16,000	307,470

Schapera, S L: Director (non-executive)								
2021	178,650[2]	--	--	--	--	--	--	178,650
2020	173,301	--	--	--	--	--	--	173,301
Reynolds, C: Director (non-executive)								
2021	75,000[3]	--	--	--	--	--	--	75,000
2020	56,250	--	--	--	--	--	--	56,250
Wright, A: Director (non-executive) (appointed: 14/04/2021)								
2021	8,571	--	--	--	--	--	--	8,571
2020	--	--	--	--	--	--	--	--
Quirk, C J: Director (non-executive) (resigned: 30/04/2020)								
2021	--	--	--	--	--	--	--	--
2020	33,333	--	--	--	--	--	--	33,333
Peros, P: CEO								
2021	903,461[4]	--	--	--	--	--	--	903,461
2020	470,982	--	--	--	--	--	--	470,982
Total								
2021	1,533,281	24,658	--	20,392	--	--	--	1,578,331
2020	1,145,362	--	--	20,207	--	--	16,000	1,181,569

[1] Shares were issued in lieu of remuneration on 19 August 2020 and 9 April 2021 - $103,644.
[2] Shares were issued in lieu of remuneration on 19 August 2020 - $45,988.
[3] Shares were issued in lieu of remuneration on 19 August 2020 and 9 April 2021 - $38,750.
[4] Shares were issued in lieu of remuneration on 19 August 2020, 22 February 2021 and 9 April 2021 - $422,683.

There are no other specified executives in positions of control or exercising management authority.

Interests in Shares and Options of the Company

As at 30 June 2021, the directors' interests in shares of Wellfully Limited were:

Shares

	Balance 01/07/20 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Performance Rights/Options Exercised	Net Other Change (No. of Shares)	Balance 30/06/21 (No. of Shares)
A Varano Della Vergiliana	200,000	--	--	3,193,997[1]	3,393,997
J D Edwards	2,021,550	--	--	--	2,021,550
S L Schapera	461,200	--	--	3,898,304[2]	4,359,504
C Reynolds	--	--	--	829,166[3]	829,166
A D Wright	--	--	--	833,333	833,333
Total	2,682,750	--	--	8,754,800	11,437,550

[1] Shares were issued in lieu of remuneration on 19 August 2020 and 9 April 2021 – 2,002,330.
[2] Shares were issued in lieu of remuneration on 19 August 2020 – 3,983,013.
[3] Shares were issued in lieu of remuneration on 19 August 2020 and 9 April 2021 – 829,166.

Options

	Balance 01/07/20 (No. of Options)	Granted as Remuneration (No. of Options)	No. of Options Exercised	Net Change Other (No. of Options)	Balance 30/06/21 (No. of Options)	Total Vested 30/06/21 (No. of Options)	Total Exercisable (No. of Options)
A Varano Della Vergiliana	--	--	--	477,778	477,778	477,778	477,778
J D Edwards	--	--	--	1,347,701	1,347,701	1,347,701	1,347,701
S L Schapera	--	--	--	--	--	--	--
C Reynolds	--	--	--	133,333	133,333	133,333	133,333
A D Wright	--	--	--	--	--	--	--
Total	--	--	--	1,958,812	1,958,812	1,958,812	1,958,812

Other Transactions with Key Management Personnel and their Related Parties

As of 30 June 2021, the following remuneration amounts remained payable:

- PB Commodities Pte Ltd, an entity related to the director, Cameron Reynolds - $8,750
- The Brand Laboratories FZ LLC, an entity related to the director, Steven Schapera - $44,854
- Antonio Varano Della Vergiliana and Anthony Varano Inc., an entity related to the director, Antonio Varano Della Vergiliana - $44,854
- The Wright Family Trust, a trust related to the director, Anthony Wright - $8,571
- Paul Peros - $58,861

As of 30 June 2020, the following remuneration amounts remained payable:

- PB Commodities Pte Ltd, an entity related to the director, Cameron Reynolds - $37,500*
- Steven Schapera and The Brand Laboratories FZ LLC, an entity related to the director, Steven Schapera - $127,313*
- Antonio Varano Della Vergiliana and Anthony Varano Inc., an entity related to the director, Antonio Varano Della Vergiliana - $81,589*
- Jeffrey Edwards - $46,158
- Paul Peros - $120,000*

* Shares were issued in lieu of remuneration on 19 August 2020.

Additional Information

The earnings of the Consolidated Entity for the five years to 30 June 2021 are summarised below:

	2021	2020	2019	2018	2017
	$	$	$	$	$
Revenue and other income	1,203,343	1,484,218	2,744,781	2,039,994	1,966,224
EBITDA	(6,288,694)	(3,729,866)	(1,623,108)	(1,587,933)	(2,883,975)
EBIT	(6,374,256)	(3,802,918)	(1,695,990)	(1,684,779)	(3,030,203)
Loss after income tax	(6,397,257)	(3,713,117)	(1,710,001)	(1,698,783)	(3,044,208)

	2021	2020	2019	2018	2017
Share price at financial year end ($)	0.05	--*	0.015	0.028	0.048
Total dividends declared (cents per share)	--	--	--	--	--
Basic and diluted loss per share (cents per share)	(4.10)	(4.10)	(1.89)	(0.09)	(0.17)

*Company was suspended on 30 June 2020.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Wellfully Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's Corporate Governance Statement is available on the Company's website at www.wellfully.net.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA

There are no officers of the Company who are former partners of RSM Australia.

NON-AUDIT SERVICES

Any non-audit services that may have been provided by the entity's auditor, RSM Australia Partners, is shown at Note 13. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act and the general principles relating to auditor independence set out in APES 110 Code of Ethics for Professional Accountants. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on the following page.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the board of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

____

Jeffrey Edwards
Director

Perth, Western Australia
30th September 2021

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Wellfully Limited for the year ended 30 June 2021, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 September 2021

JAMES KOMNINOS
Partner

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Revenue and other income	**2**	1,203,343	1,484,218
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)	--
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)	(357,680)
Loss before income tax		(6,397,257)	(3,713,117)
Income tax expense	**3**	--	--
Loss for the year		(6,397,257)	(3,713,117)
Other comprehensive income/(loss)		292,939	(51,322)
Total comprehensive loss for the year		(6,104,318)	(3,764,439)
Loss attributable to:			
Members of the parent entity		(6,397,257)	(3,713,117)
Total comprehensive loss attributable to:			
Members of the parent entity		(6,104,318)	(3,764,439)
		Cents	**Cents**
Basic and diluted losses per share (cents per share)	**16**	(4.10)	(4.10)

	Note	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Current Assets			
Cash and cash equivalents	**4**	2,725,636	612,172
Trade and other receivables	**5**	163,365	271,193
Inventories		96,754	--
Total Current Assets		2,985,755	883,365
Non Current Assets			
Plant and equipment	**6**	406,303	308,181
Total Non Current Assets		406,303	308,181
Total Assets		3,392,058	1,191,546
Current Liabilities			
Trade and other payables	**7**	449,814	1,072,068
Contract liabilities		276,763	203,358
Lease liabilities		47,513	28,635
Borrowings	**8**	154,000	1,007,053
Employee benefits provision		93,702	90,234
Total Current Liabilities		1,021,792	2,401,348
Non Current Liabilities			
Lease liabilities		61,655	9,229
Total Non Current Liabilities		61,655	9,229
Total Liabilities		1,083,447	2,410,577
Net Assets/(Liabilities)		2,308,611	(1,219,031)
Equity			
Issued capital	**14**	42,552,152	33,043,514
Reserves	**15**	597,273	181,012
Accumulated losses		(40,840,814)	(34,443,557)
Total Equity/(Deficiency)		2,308,611	(1,219,031)

	Issued Capital	Share Based Payments Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Consolidated					
Balance at 1 July 2019	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)
Balance at 30 June 2020	33,043,514	232,334	(51,322)	(34,443,557)	(1,219,031)
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 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)
Balance at 30 June 2021	42,552,152	355,656	241,617	(40,840,814)	2,308,611

	Note	Consolidated 30 June 2021 $	30 June 2020 $
Cash flows from operating activities			
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)
Net cash used in operating activities	**10**	(5,201,882)	(2,676,566)
Cash flows from investing activities			
Payments for plant and equipment		(64,740)	--
Cash obtained from acquisition of subsidiaries		--	336,246
Net cash (used in)/provided by investing activities		(64,740)	336,246
Cash flows from financing activities			
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)
Net cash provided by financing activities		7,486,659	625,477
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
Cash and cash equivalents at the end of the financial year	**4**	2,725,636	612,172

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Wellfully Limited and its controlled entities (the "Consolidated Entity"). In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent Entity is disclosed in Note 24.

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. Wellfully Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue by the Board on 30 September 2021.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(ac).

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity incurred a loss of $6,397,257 and had net cash outflows from operating activities of $5,201,882 for the year ended 30 June 2021. The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Consolidated Entity to secure funds by raising capital from equity markets and managing cash flows in line with available funds.

The Directors believe that it is reasonably foreseeable that the Consolidated Entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital; and
- The Consolidated Entity has the ability to curtail administrative, discretionary research and development and overhead cash outflows as and when required.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The significant policies, which have been adopted in the preparation of this financial report, are:

(a) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("IFRS"). Compliance with IFRS ensures that the financial statements and notes comply with International Financial Reporting Standards.

(b) 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.

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Consolidated Entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Consolidated Entity's financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Wellfully Limited as at 30 June 2021 and the results of all subsidiaries for the year then ended. Wellfully Limited and its subsidiaries together are referred to in these financial statements as the "Consolidated Entity".

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(d) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Current and Non-Current Classification (continued)

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(e) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profit will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on either a diminishing value method or a straight-line method commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment 2.5-100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and where adjusted, shall be accounted for as a change in accounting estimate. Where depreciation rates or method are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(g) Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Financial Assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial Assets (continued)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(i) Intangibles

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(k) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance for expected credit losses of trade receivables is raised when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(l) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Benefits

Short-Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Employee Benefits (continued)

Other Long-Term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(n) Revenue

The Consolidated Entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Revenue (continued)

Rendering of services

Revenue from licence and research fees are recognised over time as derived from work plan agreements with customers.

Royalties are recognised at a point in time in accordance with the terms of the agreements.

Other revenue

Research and development tax incentive revenue is recognised at a point in time when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and service tax.

(o) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amounts of GST recoverable from or payable to the ATO.

(p) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred.

(r) Share-Based Payment Transactions

Wellfully Limited provides benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

There is currently one plan in place to provide these benefits:

(i) the Employee Share Option Plan, which provides benefits to full-time or part-time employees and consultants of the Company.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option valuation model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects; (i) the extent to which the vesting period has expired, and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Share-Based Payment Transactions (continued)

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made, the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(s) Loss per share

Basic Loss per share

Basic loss per share is determined by dividing the operating profit/(loss) after income tax attributable to members of Wellfully Limited by the weighted average number of ordinary shares outstanding during the financial year.

Diluted Loss per share

Diluted loss per share adjusts the amounts used in the determination of basic loss per share by taking into account unpaid amounts on ordinary shares and any reduction in loss per share that will probably arise from the exercise of options outstanding during the financial year.

(t) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(u) Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Right-of-use Assets (continued)

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(v) Contract Liabilities

Contract liabilities represent the Consolidated Entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Consolidated Entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Consolidated Entity has transferred the goods or services to the customer.

(w) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated Entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Business Combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(x) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the Company's controlled entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Consolidated Entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of non-monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Controlled Entities

The financial results and position of foreign controlled entities whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign controlled entities are transferred directly to the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(z) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(aa) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(ab) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ac) Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated Entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

There are no judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated	
	30 June 2021 $	**30 June 2020 $**
Revenue from contracts with customers		
Research and development collaboration and product revenue	397,895	66,756
Royalties	65,078	503,796
	462,973	570,552
Other income		
Government grants and subsidies	740,309	907,175
Interest received	61	6,491
	740,370	913,666
Revenue and other income	1,203,343	1,484,218

Disaggregation of Revenue

The disaggregation of revenue from contracts with customers is as follows:

Geographical region		
Singapore	222,966	570,552
Europe	240,007	--
	462,973	570,552
Timing of revenue recognition		
Services transferred at a point in time	65,078	503,796
Services transferred over time	397,895	66,756
	462,973	570,552

NOTE 3: INCOME TAX

	Consolidated 30 June 2021 $	30 June 2021 $
The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax	(6,397,257)	(3,713,117)
Income tax calculated at 26% (2020: 27.5%)	(1,663,287)	(1,021,107)
Non-allowable expenditure	22,827	115,237
Deferred tax assets not recognised	1,308,936	905,870
Over provision for tax for prior periods	331,524	--
Income tax expenses	--	--
The following deferred tax assets have not been brought to account as assets:		
Tax losses available at 26% (2020: 27.5%) tax rate	11,129,888	4,204,968
Tax losses available	16,673,548	13,597,855

Deferred tax assets in relation to tax losses are not brought to account unless it is probable that future taxable amounts within the entity will be available against which the unused tax losses can be utilised. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	6,797	12,132
Cash at bank	2,718,839	600,040
	2,725,636	612,172

NOTE 5: TRADE AND OTHER RECEIVABLES

Trade debtors	376	60,521
Prepayments	44,961	73,583
Accrued income	--	35,203
GST refundable	55,939	51,664
Loans	54,565	43,995
Leasehold deposit	7,524	6,227
	163,365	271,193

NOTE 5: TRADE AND OTHER RECEIVABLES (continued)

Allowance for expected credit losses

The Consolidated Entity recognised $52,781 in profit or loss in respect of the expected credit losses for the year ended 30 June 2020.

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Past due but not impaired		
Customers with balances past due but without provision for impairment:		
0 to 6 months overdue	376	60,521
6 to 12 months overdue	--	--
12 to 18 months overdue	--	--
	376	60,521

NOTE 6: PLANT AND EQUIPMENT

Plant and equipment at cost	769,086	800,609
Accumulated depreciation	(470,171)	(529,681)
Total plant and equipment (a)	298,915	270,928
Office building	191,922	56,740
Accumulated depreciation	(84,534)	(19,487)
Total right-of-use assets	107,388	37,253
	406,303	308,181

Additions to the right-of-use assets during the year were $122,654.

(a) Reconciliation of the carrying amount of plant and equipment is set out below:

Carrying amount at the beginning of year	270,928	323,846
Additions	64,524	20,134
Disposals	(4,780)	--
Depreciation expense	(31,757)	(73,052)
Carrying amount at the end of year	298,915	270,928

NOTE 7: TRADE AND OTHER PAYABLES

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Other creditors and accruals	449,814	1,072,068

NOTE 8: BORROWINGS

	30 June 2021 $	30 June 2020 $
Convertible notes – unsecured	140,000	140,000
Convertible notes – secured	--	840,000
Convertible notes – unpaid interest	14,000	27,053
	154,000	1,007,053

Unsecured convertible note terms:

Issue Date	Amount $	Interest Rate	Convertible On or Before
4 June 2009	140,000	10% per annum	4 June 2012 (i)

If the convertible notes which are convertible at $0.003 have not been converted in their entirety into shares on the date which is 11 months after the date of issue, the Company may convert the amount of the convertible notes which has not been repaid (together with any accrued interest), into shares, upon giving 5 business days notice to the convertible note holder.

(i) 140,000 convertible notes issued on 4 June 2009 were not converted by the due date being 4 June 2012. The terms of the agreement have not since that date been extended. Correspondingly, the principal amount outstanding including any interest outstanding has been classified as current.

Secured convertible note terms:

Issue Date	Amount $	Interest Rate	Convertible On or Before
15 April 2020	840,000	12.5% per annum	15 October 2021 (ii)

(ii) $840,000 convertible notes issued on 15 April 2020 were converted to shares on 19 August 2020.

NOTE 9: COMMITMENTS

(a) Capital expenditure commitments

There were no capital expenditure commitments as at 30 June 2021 (30 June 2020: Nil).

(b) Lease commitments

30 June 2020: Due to the adoption of AASB 16 the lease commitments shown in this Note 9 reduced to nil and are now recognised as a right of use asset and lease liability, see Note 6.

There are no other material commitments as at 30 June 2021 (2020: Nil).

NOTE 10: CASH FLOW INFORMATION

	Consolidated	
	30 June 2021 $	**30 June 2020 $**
Reconciliation of net cash and cash equivalents used in operating activities to loss for the year:		
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	--
Movements in assets and liabilities:		
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)

NOTE 11: KEY MANAGEMENT PERSONNEL

Names and positions of directors and specified executives in office at any time during the financial year are:

Mr Antonio Varano Della Vergiliana	Director – Non-Executive	
Mr Jeffrey David Edwards	Director – Executive	
Mr Steven Lorn Schapera	Director – Non-Executive	
Mr Cameron Reynolds	Director – Non-Executive	
Mr Anthony David Wright	Director – Non-Executive	(appointed: 14/04/2021)
Mr Paul Peros	CEO	

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid or payable to the Company's key management personnel for the year ended 30 June 2021.

The totals of remuneration paid to key management personnel during the year are as follows:

	Consolidated	
	30 June 2021 $	**30 June 2020 $**
Short term employee benefits	1,557,939	1,145,362
Post-employment benefits	20,392	20,207
Other benefits	--	16,000
	1,578,331	1,181,569

Transactions with Key Management Personnel

There were no transactions with related parties other than directors' fees and consultants' fees which have been disclosed in the Remuneration Report.

NOTE 12: CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Wellfully Limited and the subsidiaries listed in the following table.

	Country of Incorporation	% Equity Interest 2021 $	% Equity Interest 2020 $
International Scientific Pty Ltd	Australia	100%	100%
Bodyguard Lifesciences Pty Ltd	Australia	100%	100%
Wellfully SA	Switzerland	100%	100%
Wellfully d.o.o.	Croatia	100%	100%
Wellfully Ltd	China	100%	100%
Peros Dongguan Technology & Trading Co. Ltd	China	100%	100%
Wellfully Limited	United Kingdom	100%	--
Swisswell Sagl	Switzerland	100%	--

NOTE 13: AUDITOR'S REMUNERATION

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Amounts paid or due and payable to the auditor for:		
Audit and review services	75,000	60,750
R&D tax refund services	39,330	40,000
Information technology consulting services	32,074	23,753
	146,404	124,503

NOTE 14: ISSUED CAPITAL

(a) Issued Capital

	Consolidated	
	30 June 2021 $	30 June 2021 $
209,820,466 fully paid ordinary shares (2020: 90,473,939)	42,552,152	33,043,514

(b) Movements in ordinary share capital of the Company during the year were as follows:

Date	Details	Number of Shares	Issue Price	$
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

(c) Capital Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There is no current on-market share buy-back.

NOTE 14: ISSUED CAPITAL (continued)

(d) Capital Risk Management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan.

No dividends were paid in 2021 and no dividends are expected to be paid in 2022.

There is no current intention to incur debt funding on behalf of the Company as on-going expenditure will be funded via cash reserves or equity.

The Company is not subject to any externally imposed capital requirements.

The capital risk management policy remains unchanged from the prior year.

NOTE 15: RESERVES

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
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 records items recognised as expenses on valuation of consultant share options from prior years.

Movements in options were as follows:

Date	Details	Number of Options Listed	Number of Options Unlisted	Fair Value of Options Issued $	Exercise Price	Expiry Date
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
30/06/21	Closing Balance	154,986,434	6,150,000	355,656		

NOTE 16: LOSS PER SHARE

Diluted loss per share is the same as basic loss per share.

The following reflects the income and data used in the calculations of basic and diluted loss per share:

	Consolidated	
	30 June 2021 $	30 June 2020 $
Loss for the year	(6,397,257)	(3,713,117)
Loss used in calculating basic and diluted loss per share	(6,397,257)	(3,713,117)
Weighted average number of ordinary shares used in calculating basic loss per share:	156,138,589	90,473,939
Weighted average number of ordinary shares used in calculating diluted loss per share:	156,138,589	90,473,939
Basic and diluted losses per share (cents per share)	(4.10)	(4.10)

Options outstanding are considered non-dilutive and therefore are excluded from the calculation of diluted loss per share.

NOTE 17: RISK MANAGEMENT OBJECTIVES AND POLICIES

The Consolidated Entity's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the Consolidated Entity's operations. The Consolidated Entity has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period under audit, the Consolidated Entity's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Consolidated Entity's financial instruments is cash flow interest rate risk. Other minor risks are either summarised below or disclosed at Note 14 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

NOTE 17: RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Cash Flow Interest Rate Risk

The Consolidated Entity's exposure to the risks of changes in market interest rates relates primarily to the Consolidated Entity's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Consolidated Entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Consolidated Entity does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the Consolidated Entity's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. The Consolidated Entity has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Consolidated Entity does not have a formal policy in place to mitigate such risks.

Consolidated

2021		**Fixed Interest Rate Maturing**					
	Non-Interest Bearing ($)	**1 Year or Less ($)**	**Over 1 to 5 Years ($)**	**More than 5 years ($)**	**Floating Interest Rate ($)**	**Total ($)**	**Weighted average interest rate**
Financial assets:							
Cash and cash equivalents	6,797	--	--	--	2,718,839	2,725,636	--
Trade and other receivables	163,365	--	--	--	--	163,365	--
	170,162	--	--	--	2,718,839	2,889,001	
Financial liabilities:							
Trade and other payables	449,814	--	--	--	--	449,814	--
Borrowings	14,000	140,000	--	--	--	154,000	10%
	463,814	140,000	--	--	--	603,814	
Net financial instruments	(293,652)	(140,000)	--	--	2,718,839	2,285,187	

NOTE 17: RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Consolidated

2020	Non-Interest Bearing ($)	Fixed Interest Rate Maturing 1 Year or Less ($)	Over 1 to 5 Years ($)	More than 5 years ($)	Floating Interest Rate ($)	Total ($)	Weighted average interest rate
Financial assets:							
Cash and cash equivalents	5,036	--	--	--	607,136	612,172	1.07%
Trade and other receivables	271,193	--	--	--	--	271,193	--
	276,229	--	--	--	607,136	883,365	
Financial liabilities:							
Trade and other payables	1,072,068	--	--	--	--	1,072,068	--
Borrowings	27,053	980,000	--	--	--	1,007,053	11.25%
	1,099,121	980,000	--	--	--	2,079,121	
Net financial instruments	(822,892)	(980,000)	--	--	607,136	(1,195,756)	

Interest Rate Sensitivity

At 30 June 2021, if interest rates had changed by 10% during the entire year with all other variables held constant, loss for the year and equity would have been $6 (2020: $649) lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short-term and long-term Australian dollar interest rates.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

NOTE 17: RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit Risk Exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Consolidated Entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated Entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The Consolidated Entity has no significant concentrations of credit risk with any single counterparty or group of counterparties.

Commodity Price Risk

The Consolidated Entity is not exposed to commodity price risk.

Liquidity Risk

The Consolidated Entity manages liquidity risk by maintaining sufficient cash reserves and marketable securities and through the continuous monitoring of budgeted and actual cash flows.

	Consolidated	
	30 June 2021 $	**30 June 2020 $**
Contracted maturities of liabilities at 30 June		
Payables		
- less than 6 months	449,814	1,072,068
Borrowings		
- less than 6 months	154,000	1,007,053
	603,814	2,079,121

NOTE 17: RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign Exchange Risk

The Consolidated Entity is not exposed to significant foreign exchange risk at reporting date. Although foreign exchange transactions in numerous currencies were entered into during the year, resulting in a foreign exchange loss of $384,253 (2020: exchange gain of $75,105), the Consolidated Entity is unlikely to enter into any material foreign exchange transactions in the next reporting period.

Reconciliation of Net Financial Assets to Net Assets	Consolidated	
	30 June 2021 $	30 June 2020 $
Net financial assets/(liabilities)	2,285,187	(1,195,756)
Inventories	96,754	--
Plant and equipment	406,303	308,181
Contract liabilities	(276,763)	(203,358)
Lease liabilities	(109,168)	(37,864)
Employee benefits provision	(93,702)	(90,234)
Net assets/(liabilities)	2,308,611	(1,219,031)

Net Fair Values

For other assets and liabilities, the net fair value approximates their carrying value. The Consolidated Entity has no financial assets or liabilities that are readily traded on organised markets and has no financial assets where the carrying amount exceeds net fair values at the reporting date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING PERIOD

- On 5 July 2021, the Company announced the Unmarketable Parcel Sale Facility had closed. The total number of shares sold under the Facility was 4,205,518 shares at a price of $0.0502 per share.
- On 14 July 2021, the Company announced that it had been granted a trademark for SWISSWELL by the Swiss Federal Institute of Intellectual Property.

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, which has not been announced to the market.

NOTE 19: ECONOMIC DEPENDENCY

The Consolidated Entity is not economically dependent upon any third parties.

NOTE 20: 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.

NOTE 20: SEGMENT INFORMATION (continued)

Consolidated – 30 June 2021

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	222,976	239,997	462,973
Interest revenue	--	61	61
Government grants and subsidies	740,309	--	740,309
Net foreign exchange losses	(388,431)	4,178	(384,253)
Total revenue	**574,854**	**244,236**	**819,090**
EBITDA	**(2,700,844)**	**(3,587,850)**	**(6,288,694)**
Depreciation and amortisation	(31,757)	(53,805)	(85,562)
Interest revenue	--	61	61
Finance costs written off	(10,531)	(12,531)	(23,062)
Intersegment eliminations	--	--	--
(Loss)/ profit before income tax	**(2,743,132)**	**(3,654,125)**	**(6,397,257)**
Income tax expense	--	--	--
(Loss)/ profit after income tax	**(2,743,132)**	**(3,654,125)**	**(6,397,257)**
Assets			
Segment assets	9,312,343	600,722	9,913,065
Intersegment eliminations			(6,521,007)
Total assets			**3,392,058**
Liabilities			
Segment liabilities	7,214,243	5,956,782	13,171,025
Intersegment eliminations			(12,087,578)
Total liabilities			**1,083,447**

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.

NOTE 20: 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.

	Dermaportation drug delivery technology $	Devices $	Total $
Revenue			
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
Total revenue	**1,559,272**	**51**	**1,559,323**
EBITDA	**(2,169,079)**	**(1,560,787)**	**(3,729,866)**
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	--	--	--
(Loss)/ profit before income tax	**(2,132,247)**	**(1,580,870)**	**(3,713,117)**
Income tax expense	--	--	--
(Loss)/ profit after income tax	**(2,132,247)**	**(1,580,870)**	**(3,713,117)**
Assets			
Segment assets	3,016,932	460,763	3,477,695
Intersegment eliminations			(2,286,149)
Total assets			**1,191,546**
Liabilities			
Segment liabilities	8,385,886	2,205,803	10,591,689
Intersegment eliminations			(8,181,112)
Total liabilities			**2,410,577**

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 21: BUSINESS COMBINATIONS

On 5 November 2019, Wellfully Limited acquired 100% of the ordinary shares of Wellfully SA for $120,000 payable with ordinary shares of Wellfully Limited. The acquisition is deemed to be a business combination and the details of the acquisition are as follows.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	336,246
Other assets	88,175
Related party loan	(582,834)
Trade and other payables	(94,569)
Net liabilities acquired	(252,982)
Representing:	
Shares payable to vendor	120,000
Intangibles recognised at acquisition date	372,982

From the date of acquisition to 30 June 2020, Wellfully SA incurred a loss of $1,506,736.

At 30 June 2020, intangibles of $372,982 has been written off.

NOTE 22: 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 announced to the market. The Company has retained legal representation for the active defence of the matter, to which mediation still continues.

NOTE 23: RELATED PARTY TRANSACTIONS

Parent Entity

Wellfully Limited is the Parent Entity.

Subsidiaries

Interests in subsidiaries are set out in Note 12.

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 11 and the remuneration report in the Directors' Report.

Transactions with Related Parties

As set out in Note 11 and the remuneration report in the Directors' Report.

Receivables from and Payables to Related Parties

As of 30 June 2021, the following remuneration amounts remained payable:

- PB Commodities Pte Ltd, an entity related to the director, Cameron Reynolds - $8,750
- The Brand Laboratories FZ LLC, an entity related to the director, Steven Schapera - $44,854
- Antonio Varano Della Vergiliana and Anthony Varano Inc., an entity related to the director, Antonio Varano Della Vergiliana - $44,854
- The Wright Family Trust, a trust related to the director, Anthony Wright - $8,571
- Paul Peros - $58,861

As of 30 June 2020, the following remuneration amounts remained payable:

- PB Commodities Pte Ltd, an entity related to the director, Cameron Reynolds - $37,500*
- Steven Schapera and The Brand Laboratories FZ LLC, an entity related to the director, Steven Schapera - $127,313*
- Antonio Varano Della Vergiliana and Anthony Varano Inc., an entity related to the director, Antonio Varano Della Vergiliana - $81,589*
- Jeffrey Edwards - $46,158
- Paul Peros - $120,000*

* Shares were issued in lieu of remuneration on 19 August 2020.

There were no receivables from related parties at the current and previous reporting date.

Loans to/from Related Parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 24: PARENT ENTITY DISCLOSURES

(a) Financial Position

	2021 $	2020 $
Total Current Assets	2,527,813	443,333
Total Non-Current Assets	236,590	2,538,772
Total Assets	2,764,403	2,982,105
Total Current Liabilities	617,838	2,096,816
Total Liabilities	617,838	2,096,816
Net Assets	2,146,565	885,289
Issued Capital	42,552,152	33,043,514
Reserves	597,273	232,334
Accumulated Losses	(41,002,860)	(32,390,559)
Total Equity	2,146,565	885,289

(b) Financial Performance

	2021 $	2020 $
Loss for the year	(8,612,301)	(1,658,871)
Other comprehensive loss	--	--
Total Comprehensive Loss	(8,612,301)	(1,658,871)

NOTE 24: PARENT ENTITY DISCLOSURES (continued)

(c) Guarantees

Wellfully Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

(d) Other Commitments and Contingencies

Wellfully Limited 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 announced to the market. The Company has retained legal representation for the active defence of the matter, to which mediation still continues.

(e) Plant and Equipment Commitments

Wellfully Limited has no commitments to acquire property, plant and equipment.

(f) Significant Accounting Policies

Wellfully Limited accounting policies do not differ from the Consolidated Entity disclosed in Note 1.

In the opinion of the directors:

a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, 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 30 June 2021 and of its performance for the year ended on that date; and

ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

b) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as disclosed in Note 1(a); and

c) 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 has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

____

Jeffrey Edwards

Director

Perth, Western Australia

30th September 2021

AUSTRALIAN COMPANY NUMBER:
056 482 636

DIRECTORS:
Antonio Varano Della Vergiliana
Jeffrey David Edwards
Steven Lorn Schapera
Cameron Reynolds
Anthony David Wright

SECRETARY:
John Joseph Palermo

CEO:
Paul Peros

CFO:
Sergej Dolezil

REGISTERED OFFICE:
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WELLFULLY LIMITED

Opinion

We have audited the financial report of Wellfully Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Revenue Recognition Refer to Note 2 in the financial statements	
As reported in the statement of profit or loss and other comprehensive income for the year ended 30 June 2021, the Group has recognised revenue from contracts with customers of $462,973. We determined revenue recognition to be a key audit matter due to the following: • The balance is material to the Group and there are risks associated with management judgements for recognising revenue including identification of contracts and performance obligations, determination of the transaction price and its timing; and • Revenue recognition is a presumed fraud risk under the Australian Auditing Standards.	Our audit procedures included: • Ensuring the Group's revenue recognition accounting policy is in accordance with Australian Accounting Standards; • Reviewing contracts with customers to obtain an understanding of the contractual arrangements; • On a sample basis, vouching revenue recognised to appropriate supporting documentation; • Reviewing revenue transactions before and after the reporting date to ensure that revenue is recognised in the correct financial period; and • Assessing the appropriateness of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Wellfully Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

JAMES KOMNINOS
Partner

Perth, WA
Dated: 30 September 2021

ASX ADDITIONAL INFORMATION

1. QUOTED SECURITIES

(a) ORDINARY FULLY PAID SHARES AS AT 23 SEPTEMBER 2021

(i) DISTRIBUTION OF SHAREHOLDERS:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 - 1,000	208	30,570	0.01
1,001 - 5,000	130	415,033	0.20
5,001 - 10,000	340	2,854,605	1.36
10,001 - 100,000	865	29,272,881	13.95
100,001+	300	177,248,377	84.48
	1,843	209,821,466	100.00

(ii) TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES:

The names of the twenty largest shareholders of ordinary fully paid shares are listed below:

	HOLDER NAME	NO. OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARES %
1.	GAKS INVESTMENT HOLDINGS PTY LTD <GAKS INVESTMENT A/C>	22,928,481	10.93
2.	VIA PASTURA LIMITED	10,800,000	5.15
3.	ROKAMAHO PTY LTD <PUMBA BLOSSOM A/C>	8,413,334	4.01
4.	CITICORP NOMINEES PTY LIMITED	5,471,032	2.61
5.	RFID SYSTEMS PTY LTD <THE RFID CONSULTING A/C>	4,283,333	2.04
6.	MR DANNY ALLEN PAVLOVICH <PAVLOVICH FAMILY SPEC 2 A/C>	3,761,407	1.79
7.	OTIS DEVELOPMENTS PTY LTD	3,500,000	1.67
8.	MR VICTOR KULIVEOVSKI	3,400,000	1.62
9.	MR NEVILLE HINRICHSEN & MRS ANNETTE HINRICHSEN	3,225,000	1.54
10.	NEAVERSON SUPER FUND PTY LIMITED <NEAVERSON SUPER FUND A/C>	2,900,000	1.38
11.	THE BRAND LABORATORIES FZ LLC	2,858,013	1.36
12.	SABINA PTY LTD <AUSTRALIAN ENTERPRISE A/C>	2,827,330	1.35
13.	DR ALOK JHAMB	2,750,000	1.31
14.	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	2,000,000	0.95
15.	MULLOWAY PTY LTD <JOHN HARTLEY POYNTON FM A/C>	1,814,729	0.86
16.	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	1,789,958	0.85
17.	VIRTUS CAPITAL PTY LTD	1,685,613	0.80
18.	MR ALLAN KEITH CLARKE	1,510,000	0.72
19.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,418,741	0.68
20.	MR MICHAEL LEONG & DR DEBBIE LEONG <D & M S/F A/C>	1,374,783	0.66
		88,711,754	42.28

1. QUOTED SECURITIES (continued)

(iii) VOTING RIGHTS

No restrictions - on a show of hands every member present in person or by proxy shall have one vote and upon a poll, each fully paid share shall have one vote.

(iv) SUBSTANTIAL SHAREHOLDERS

The Substantial Shareholders as recorded in the Register of Members as at 23 September 2021 are as follows:

NAME	NO. OF SHARES	%
GAKS INVESTMENT HOLDINGS PTY LTD<GAKS INVESTMENT A/C>	22,928,481	10.93
VIA PASTURA LIMITED	10,800,000	5.15

(b) OPTIONS

As at 23 September 2021, there existed the following quoted options:

154,985,434 OPTIONS EXERCISABLE AT $0.15 EACH ON OR BEFORE 31 MARCH 2023

(i) DISTRIBUTION OF OPTIONHOLDERS:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF OPTIONS	PERCENTAGE OF QUOTED OPTIONS %
1 - 1,000	43	17,796	0.01
1,001 - 5,000	118	335,182	0.22
5,001 - 10,000	67	478,217	0.31
10,001 - 100,000	271	11,746,608	7.58
100,001+	205	142,407,631	91.88
	704	154,985,434	100.00

1. QUOTED SECURITIES (continued)

(ii) TOP 20 HOLDERS OF QUOTED OPTIONS:

The names of the twenty largest optionholders are listed below:

	HOLDER NAME	NO. OF OPTIONS HELD	PERCENTAGE OF QUOTED OPTIONS %
1.	HAPPY FELIX PTY LTD <THE CORDS A/C>	13,400,000	8.65
2.	MR NEVILLE HINRICHSEN & MRS ANNETTE HINRICHSEN	10,512,684	6.78
3.	ROKAMAHO PTY LTD <PUMBA BLOSSOM A/C>	10,386,666	6.70
4.	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	10,000,000	6.45
5.	OTIS DEVELOPMENTS PTY LTD	7,000,000	4.52
6.	RFID SYSTEMS PTY LTD <RFID CONSULTING A/C>	5,000,000	3.23
7.	MR ALLAN KEITH CLARKE	3,150,000	2.03
8.	BLACK WIND PTY LTD <ALOY HOOI SUPERFUND A/C>	2,880,000	1.86
9.	RFID SYSTEMS PTY LTD <THE RFID CONSULTING A/C>	2,855,556	1.84
10.	NAH SUPERANNUATION PTY LTD <NAH SUPERANNUATION FUND A/C>	2,550,134	1.65
11.	MR DANNY ALLEN PAVLOVICH <PAVLOVICH FAMILY SPEC 2 A/C>	2,507,605	1.62
12.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,842,666	1.19
13.	DR ALOK JHAMB	1,666,667	1.08
14.	VIA PASTURA LIMITED	1,500,000	0.97
14.	MR VICTOR KULIVEOVSKI	1,500,000	0.97
15.	JRAR PTY LTD <JRAR A/C>	1,481,567	0.96
16.	VIRTUS CAPITAL PTY LTD	1,457,076	0.94
17.	NORRIS SMSF PTY LTD <NORRIS S/F A/C>	1,204,232	0.78
18.	MRS JULIET CAMPBELL	1,193,000	0.77
19.	MR CLARK VAINS	1,100,000	0.71
20.	IRWIN BIOTECH NOMINEES P/L <BIOA A/C>	1,050,000	0.68
		84,237,853	54.38

(iii) VOTING RIGHTS

Holders of options are not entitled to vote at a General Meeting of Members in person, by proxy or upon a poll, in respect of their option shareholding.

2. UNQUOTED SECURITIES

(a) OPTIONS

As at 23 September 2021, there existed the following unquoted options:

(i) 6,150,000 OPTIONS EXERCISABLE AT $0.10 EACH ON OR BEFORE 19 AUGUST 2023

NAME	NO. OF OPTIONS	%
VALE CAPITAL PTY LTD <VALE ACCOUNT>	4,950,000	80.49
VIA PASTURA LIMITED	1,200,000	19.51
	6,150,000	100.00

(ii) VOTING RIGHTS

Holders of options are not entitled to vote at a General Meeting of Members in person, by proxy or upon a poll, in respect of their option holding.

Wellfully Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations as set out by the ASX Corporate Governance Principles and Recommendations (4^{th} Edition).

The Company's Corporate Governance Statement has been reviewed and approved by the Board and is current as at 30 September 2021.

A copy of the Company's current Corporate Governance Statement is available on the Company's website at www.wellfully.net.