WELLFULLY

(Administrators Appointed)

(ABN 72 056 482 636)

2023 ANNUAL REPORT

CONTENTS

ADMINISTRATORS' REPORT

On 18 August 2023, the directors of Wellfully Limited (Administrators Appointed) ("Wellfully", or the "Company") appointed Mr Bryan Hughes and Mr Christopher Pattinson as joint and several administrators ("Administrators") of Wellfully .

On 24 August 2023, the director of Wellfully's wholly owned Australian subsidiaries, International Scientific Pty Ltd (Administrators Appointed) ("International Scientific") and Bodyguard Lifesciences Pty Ltd (Administrators Appointed) ("Bodyguard Lifesciences") appointed Mr Hughes and Mr Pattinson as joint and several administrators of International Scientific and Bodyguard Lifesciences.

Following the appointment of the Administrators, the directors' powers were suspended, and the Administrators assumed control of Wellfully's business, property and affairs. Accordingly, the Administrators of Wellfully submit this report on the results of the Group consisting of Wellfully and the entities it controlled ("Group") for the financial year ended 30 June 2023.

INCOMPLETE RECORDS

To prepare this report, the Administrators have reconstructed the financial records of Group using management account information obtained from current and former directors and officers of Wellfully as well as announcements posted to the Australian Securities Exchange. Whilst the directors of Wellfully have continued to assist the Administrators throughout the administration and have been provided a copy of the report prior to its publication, they were not responsible for preparation of this report.

Given the Administrators were not in control of the Group during the period, there may be information that has not been brought to their attention or they have been unable to obtain where the impact of which may or may not be material to the accounts. Where applicable, the 30 June 2022 comparatives are based on the Group's audited financial reports prepare and filed prior to the appointment of the Administrators and whilst the Group was under the control of its directors.

The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

DIRECTORS

The names of directors who held office during or since the end of the financial year are as follows.

Mr Antony Eaton (retired 3 August 2022)
Mr Jeffrey David Edwards (retired 21 March 2023)
Mr Steven Lorn Schapera (retired 31 December 2022)
Mr Andrew John Wortlock (appointed 18 November 2022, retired 18 May 2023)
Mr David Wheeler (appointed 1 February 2023, retired 9 June 2023)
Mr Blagojce (Bill) Pavlovski (appointed 9 June 2023, retired 20 June 2023)
Mr Paul Peros
Mr John Forrester (appointed 18 May 2023)
Ms Lea Clothier (appointed 9 June 2023)

PRINCIPAL ACTIVITIES

The Administrators understand based on discussions with key personnel of Wellfully that the principal activities of the Group during the financial year ended 30 June 2023 was research and development for its Dermaportation and ETP transdermal drug delivery technologies, the industrialisation and supply-chain support for its existing product ranges, sales and marketing activities spanning its own brands REDUIT and SWISSWELL, as well as third-party collaborations.

In March 2023, the Group sought to wind down its operations in Australia with Wellfully's employees ceasing to work on or around 31 March 2023 following the closure of its laboratory. We understand operations of the Group's subsidiaries were also largely wound down with the exception of the Swiss and Chinese entities which continued to employ a workforce during the financial year ended 30 June 2023.

There were no other significant changes in the nature of the Group's principal activities during the financial year ended 30 June 2023.

ADMINISTRATORS' REPORT (CONTINUED)

OPERATING RESULTS AND FINANCIAL POSITION

The net consolidated loss of the Group after providing for income tax amounted to ($6,354,783) (2022: loss of $7,302,969).

The net assets of the Group at 30 June 2023 were ($1,710,132) (2022: $619,557). At that date, there was cash and cash equivalents of $269,740 (2022: $317,669).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid during the year ended 30 June 2023.

REVIEW OF OPERATIONS

During the year ended 30 June 2023, the Group moved from being a one-vertical (Reduit) operation, active solely in the beauty space, to a two-vertical (now with Swisswell) operation also present in the healthcare space with its pain relief offering.

RÉDUIT

The development of the Group's premium beauty brand continued across three main fronts: DTC marketing, B2B collaborations with new retailers, as well as go-to-market preparations for RÉDUIT's new product introductions for 2023.

Additionally, the establishment of Wellfully's robust vertically integrated operations enabled the Group to shift its focus to enhancing RÉDUIT's marketing initiatives.

Engagement with influencers, key opinion leaders and traditional media organisations continues to build valuable brand awareness, resulting in direct-to-consumer conversion through RÉDUIT's new online platform.

In addition to the first placements of the new RÉDUIT Boost™ product, important advances have been made in the development of the App platform that is starting to produce results in terms of visibility of use of both RÉDUIT and 3rd part products of great value to pre- and post-sales marketing activities. It is expected that with the large product volumes of the box sales campaign, the availability of high-quality data will significantly increase. In addition to in-house application of the market intel, the Group has already initiated collaborations aimed at maximising campaign results with 3rd party retailers by using the RÉDIUI app data.

SWISSWELL

As announced to the market on 3 August 2022, the Swisswell Knee Patch™ was successfully registered as a medical device in Australia effective 2 August 2022.

The Swisswell Knee Patch™ was first test-launched in August 2021, but only sold through the Group's DTC (direct-to-consumer) channels as an unregistered medical device without any medical claims. Initial feedback from consumers, as well as interest from potential distribution partners, has been most positive.

With this registration, Wellfully is now able to freely engage with retail partners and specialist distributors in the Australian market, enabling abroad scale marketing effort that can include substantiated medical claims.

PLACEMENT RAISES $1.5 MILLION

During March 2023, Wellfully completed a successful placement to sophisticated and professional investors of utilising Wellfully's placement capacities under ASX Listing Rules 7.1 to raise $1,490,000 (before costs). The proceeds from the placement will facilitate the advancement of the following activities:

1. Support the in-house development of Wellfully's commercial footprint by leveraging Wellfully's industry knowledge and network in order to seek the most resource-efficient outcomes in:
    a. Direct to customer channel development for the Wellfully's beauty and health brands, REDUIT and SWISSWELL;
    b. Campaign, retail and distribution channels of importance for brand positioning and notoriety; and

ADMINISTRATORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

c. Scaling and expanding Wellfully's sourcing infrastructure and securing related high margins.

2. Provide the working capital needed to maintain the current top-line growth trend.

Placement participants received 1 free attaching option ($0.033 strike price and 2-year expiry) for every 1 share subscribed for.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Due to its financial constraints at the time, the Group ceased operations of its Australian laboratory on or about 31 March 2023.

ENVIRONMENTAL REGULATION

The Administrators understand the Group is not affected by any specific environmental legislation.

INFORMATION ON DIRECTORS

MR ANTON EATON (RETIRED 3 AUGUST 2022)

Mr Eaton co-founded the corporate and commercial law firm Eaton Hall in 2014. He specialises in providing corporate advice to ASX-listed companies, with a particular focus on the innovation and technology, agribusiness, and energy and resources sectors. Mr Eaton currently acts as legal counsel for the Company.

Interest in shares at date of report: Not applicable as no longer a director

Interest in listed options at date of report: Not applicable as no longer a director

MR JEFFREY DAVID EDWARDS (RETIRED 21 MARCH 2023)

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.

Indirect interest in shares at date of report: Not applicable as no longer a director

Indirect interest in listed options at date of report: Not applicable as no longer a director

MR STEVEN LORN SCHAPERA (RETIRED 31 DECEMBER 2023)

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 date of report: Not applicable as no longer a director
Interest in listed options at date of report: Not applicable as no longer a director

MR DAVID WHEELER (APPOINTED 1 FEBRUARY 2023, RETIRED 9 JUNE 2023)

Mr David Wheeler has been appointed as a Non-executive Director effective 1 February 2023. David comes from a background of more than 30 years of Senior Executive Management, Directorships, and Corporate Advisory experience. He is a founding Director and Partner of Pathways Corporate a Corporate Advisory firm that undertakes assignments on behalf of family offices, private clients, and ASX-listed companies. David has engaged in business projects in the USA, UK, Europe, NZ, China, Malaysia, Singapore and the Middle East. David is a Fellow of the Australian Institute of

ADMINISTRATORS' REPORT (CONTINUED)

Company Directors and has experience on public and private company boards, currently holding a number of Directorships and Advisory positions in Australian companies.

Interest in shares at date of report: Nil
Interest in listed options at date of report: Nil

MR PAUL PEROS (APPOINTED 14 APRIL 2022)

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.

Indirect interest in shares at date of report: 8,257,000
Indirect interest in listed options at date of report: 9,090,910
Indirect interest in unlisted options at date of report: 1,200,000

MR JOHN FORRESTER (APPOINTED 14 APRIL 2023)

John has over 20 years' experience in business development, operations and leadership across multiple sectors including ICT, finance and professional services throughout the Australian and Asian markets. As co-founder and Chief Operating Officer of an Australian SaaS eLearning and marketing startup, his wide breadth of experience has cultivated a strong passion for building highly scalable businesses, capital raising, the development and launching of several software solutions and the commercialisation of several international patents.

John has extensive experience in management positions in organisations, has worked extensively with executive teams to design and implement business strategies for performance and growth, brokering of deals and management of business relationships within Australasia.

Interest in shares at date of report: Nil
Interest in listed options at date of report: Nil

MS LEA CLOTHIER (APPOINTED 9 JUNE 2023)

Lea has a 20+ year background in personal finance in Australia and the US. A former award-winning Financial Adviser and social entrepreneur, Lea has formal qualifications in Business Management, Financial Planning, Coaching, Behavioural Finance, Well-being and Mindfulness.

Lea is a values-driven professional woman constantly seeking to improve and create efficiencies, "work smarter, not harder", innovate and think outside the box. She passionately advocates for Wellbeing, Social Enterprise, Mental Health, Financial Capability, Online Learning, Personal Development and Empowerment program.

Interest in shares at date of report: Nil
Interest in listed options at date of report: Nil

MR BLAGOJCE (BILL) PAVLOVSKI (APPOINTED 9 JUNE 2023. RETIRED 20 JUNE 2023)

Mr Pavlovski holds a Bachelor of Business majoring in Applied Economics and International Trade. Mr Pavlovski brings 15 years of experience in a career spanning banking, wealth management and corporate advisory services.

Mr Pavlovski is also an Investment and Corporate advisor one of Australia's most active stockbroking and corporate advisory firms specialising in small to medium high growth companies.

Mr Pavlovski brings a deep understanding and experience of capital markets gained during a respected career. He has the relevant skills to make valuable contributions to the Board of WFL.

Interest in shares at date of report: Nil
Interest in listed options at date of report: Nil

ADMINISTRATORS' REPORT (CONTINUED)

COMPANY SECRETARIES

MR HENKO VOS (RETIRED 22 MARCH 2023)

Henko is a member of the Governance Institute of Australia, the Australian Institute of Company Directors, Chartered Accountants Australia and New Zealand and a Registered Company Auditor with more than 20 years' experience working within public practice, specifically within the area of corporate and accounting services both in Australia and South Africa.

He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. Mr Vos, is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice.

MR TIM SLATE (APPOINTED 22 MARCH 2023, RETIRED 9 JUNE 2023)

Mr Slate has over 15 years' experience in the accounting and company secretarial profession, having worked in Perth across a diverse range of multinational and small companies, and has experience in ASX/LSE listed companies, private entities and working with high net worth individuals. Mr Slate holds a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant, an Associate Member of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors.

MR BLAGOJCE (BILL) PAVLOVSKI (APPOINTED 9 JUNE 2023)

Mr Pavlovski holds a Bachelor of Business majoring in Applied Economics and International Trade. Mr Pavlovski brings 15 years of experience in a career spanning banking, wealth management and corporate advisory services.

Mr Pavlovski is also an Investment and Corporate advisor one of Australia's most active stockbroking and corporate advisory firms specialising in small to medium high growth companies.

Mr Pavlovski brings a deep understanding and experience of capital markets gained during a respected career. He has the relevant skills to make valuable contributions to the Board of WFL.

DIRECTORS' MEETINGS

During the financial year ended 30 June 2023, the Company held directors' meetings, including directors' resolutions. The total number of meetings attended and circular resolutions executed by each director were:

	Board Meetings	
	Number eligible to attend	Number attended
Mr J D Edwards	7	7
Mr S L Schapera	6	5
Mr A Eaton	1	1
Mr A Wortlock	3	3
Mr P Peros	7	7
Mr J Forrester	-	-
Ms Lea Clothier	-	-
Mr B Pavlovski	-	-

EVENTS SUBSEQUENT TO REPORTING PERIOD

- On 16 August 2023, Mr Paul Peros issued a notice of resignation in respect of his position as Managing Director of Wellfully and director and/or legal representative of its subsidiaries effective 10:18PM AWST that same day.
- On 18 August 2023, the Wellfully's directors resolved to appoint Mr Bryan Hughes and Mr Christopher Pattinson of Pitcher Partners as Joint and Several Administrators pursuant to section 436A of the Corporations Act 2001.

ADMINISTRATORS' REPORT (CONTINUED)

EVENTS SUBSEQUENT TO REPORTING PERIOD (CONTINUED)

- On 24 August 2023, the director of International Scientific and Bodyguard Lifesciences resolved to appoint Mr Hughes and Mr Pattinson of Pitcher Partners as Joint and Several Administrators pursuant to section 436A of the Corporations Act 2001.
- On 30 August 2023, Wellfully's first meeting of creditors was held at the offices of Pitcher Partners Perth. At the meeting, creditors ratified the appointment of the Administrators.
- On 5 September 2023, International Scientific and Bodyguard Lifesciences' first meetings of creditors were held at the offices of Pitcher Partners Perth. At the meeting creditors ratified the appointments of the Administrators.
- On 22 September 2023, the Administrators held the second meeting of creditors for Wellfully, International Scientific and Bodyguard Lifesciences. At the meeting, creditors resolved to adjourn the meeting for a period of up to 45 business days ("Adjournment Period") to provide sufficient time to enable the viability of a Deed of Company Arrangement ("DOCA") proposal to be fully explored, to further investigate the business, property and affairs of the Company and the conduct of the current and former directors and officers.
- In early November 2023, a party emerged expressing an interest in entering into a potential transaction with the Company which required the Company to remain in voluntary administration rather than entering into a DOCA ("Potential Transaction"). As a result of the expression of interest, the Administrators instructed their solicitors to urgently submit an application with the Supreme Court of Western Australia ("Supreme Court") to seek orders granting an extension to the Adjournment Period by a period of up to a further five (5) months from 27 November 2023 to 30 April 2024 pursuant to section 447A(1) of the Corporations Act 2001 ("Orders").
- On 21 November 2023, the Supreme Court granted the Orders to extend the Adjournment Period to 30 April 2024 which provides the Administrators further time to implement the Potential Transaction, if appropriate.
- On 19 February 2024, RSM Australia Partners applied to the ASIC for its consent to resign as auditor of the Company. The application was approved by the ASIC on 19 February 2024 and Moore Australia Audit (WA) was appointed auditor of the Company that same day. The appointment of Moore Australia Audit (WA) will be formally approved at the upcoming Annual General Meeting ("AGM") of the Company, expected to be held prior to 31 March 2024.

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 Group, the results of those operations, or the state of affairs of the Group, which has not been announced to the market.

SHARE OPTIONS

As at the date of this report, there existed the following options:

UNLISTED OPTIONS

6,150,000 unlisted options, exercisable at $0.10 on or before 19 August 2023.
19,300,000 unlisted options, exercisable at $0.15 on or before 30 April 2027.
10,000,000 unlisted options, exercisable at $0.015 on or before 30 March 2027.

LISTED OPTIONS

32,820,513 listed options, exercisable at $0.20 on or before 23 February 2024.
122,450,999 listed options, exercisable at $0.033 on or before 23 December 2024.

ADMINISTRATORS' REPORT (CONTINUED)

SHARES ISSUED ON THE EXERCISE OF OPTIONS

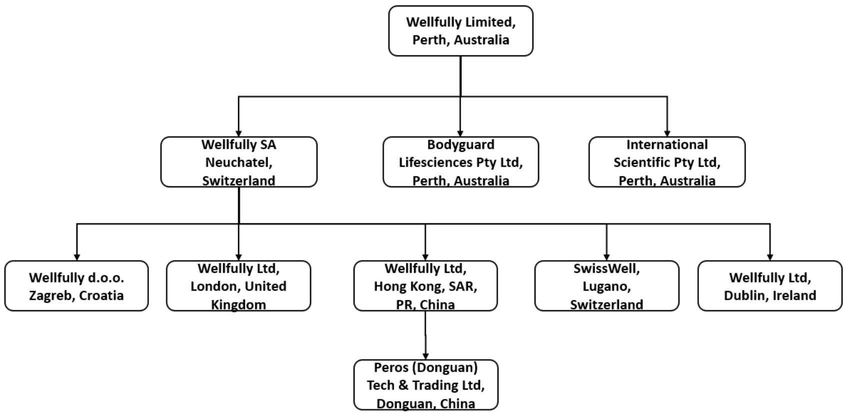
The following ordinary shares of Wellfully Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise Price	Number of shares issued
26-Apr-23	0.15	5,000

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.

The Administrators have prepared this consolidated financial report incorporating the entities that Wellfully controlled during the financial year, which are outlined in the following illustration of the Group's corporate structure:



REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

INCOMPLETE RECORDS

To prepare this remuneration report, the Administrators have reconstructed the financial records of Group using management account information obtained from current and former directors and officers of Wellfully as well as announcements posted to the Australian Securities Exchange. Whilst the directors of Wellfully have continued to assist the Administrators throughout the administration and have been provided a copy of the report prior to its publication, they were not responsible for preparation of this remuneration report.

Given the Administrators were not in control of the Group during the year, there may be information that has not been brought to their attention or they have been unable to obtain where the impact of which may or may not be material to the accounts. Where applicable, the 30 June 2022 comparatives are based on the Group's audited remuneration report prepared and filed prior to the appointment of the Administrators and whilst the Group was under the control of its directors.

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 2023.

ADMINISTRATORS' REPORT (CONTINUED)

REMUNERATION POLICY (CONTINUED)

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 Group'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 2022 AGM, 78.96% of the votes received refused the adoption of the remuneration report for the year ended 30 June 2022.

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 Group. 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 Group and the time and commitment required to efficiently and effectively perform the required tasks.

REMUNERATION OF EXECUTIVE DIRECTOR

Jeffrey David Edwards (retired 21 March 2023) was paid a salary of $209,000 per annum inclusive of compulsory superannuation contributions.

Paul Peros' remuneration is €30,000 per month, paid by a combination of cash and ordinary shares with €24,000 in cash and €6,000 in ordinary shares. Paul Peros was appointed as CEO 1 July 2019, appointed Executive Chairman 14 April 2022. The Administrators understand there was no change to the remuneration.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Anton Eaton (retired 3 August 2022) was paid $34,630 per quarter, paid quarterly in arrears for director fees.

Steven Lorn Schapera (retired 31 December 2022) was paid $40,000 per annum plus £6,300 per month, paid quarterly in arrears for consulting fees.

Andrew John Wortlock (appointed 18 November 2022, retired 18 May 2023) was paid a salary of $40,000 per annum.

David Wheeler (appointed 18 November 2022, retired 18 May 2023) was paid a salary of $40,000 per annum paid quarterly in arrears for director fees.

Lea Clothier is paid a salary of $40,000 per annum paid quarterly in arrears for director fees.

Blagojce (Bill) Pavlovski (appointed 9 June 2023, retired 20 June 2023) was paid a salary of $40,000 per annum.

John Forrester is paid a salary of $40,000 per annum paid quarterly in arrears for director fees.

ADMINISTRATORS' REPORT (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES

	Primary Salary & Fees	Non-Monetary benefits	Post Employment Benefits	Cash Bonus	Equity settled shares	Performance related	Other Benefits	Total
	($)	($)	($)	($)	($)	($)	($)	($)
Parent Entity Directors and Executives								
Edwards, J D: Managing Director (retired 21 March 2023)								
2023	190,000	-	19,000	-	-	-	-	209,000
2022	190,000	-	19,000	-	-	-	-	209,000
Schapera, S L: Non-executive Director (retired 31 December 2022)								
2023	184,000	-	-	-	-	-	-	184,000
2022	177,441	-	-	-	-	-	-	177,441
Peros, P: Executive Chairman (appointed CEO 1 July 2019, appointed Executive Chairman 14 April 2022)								
2023	577,676	-	-	-	-	-	-	577,676
2022	577,676	-	-	-	-	-	-	577,676
Eaton, A: Non-executive Director (retired 3 August 2022)								
2023	34,630							34,630
2022	34,630	-	-	-	-	-	-	34,630
Wortlock, A: Non-executive Director (appointed 18 November 2022, retired 18 May 2023)								
2023	40,000							40,000
2022	-	-	-	-	-	-	-	-
Forrester, J: Non-executive Director (appointed 14 April 2023)								
2023	40,000							40,000
2022	-	-	-	-	-	-	-	-

ADMINISTRATORS' REPORT (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

Clothier, L: Non-executive Director (appointed 9 June 2023)								
2023	40,000							40,000
2022	-	-	-	-	-	-	-	-
Pavlovski, B: Non-executive Director (appointed 9 June 2023, retired 20 June 2023)								
2023	40,000							40,000
2022	-	-	-	-	-	-	-	-

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

ADMINISTRATORS' REPORT (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY

SHARES

The number of shares in the Company held during the financial year by each director, including their personally related parties is set out below.

	Balance 1/07/2022	Remuneration Received	Performance Rights/Options Exercised	Net Other Change	Balance 30/06/2023
	Number	Number	Number	Number	Number
P Peros	7,618,160	-	15,000,000[1]	5,000,088[2]	27,618,248
J Forrester	-	-	-	-	-
L Clothier	-	-	-	-	-
B Pavlovski[7]	-	-	-	-	-
A Eaton[5]	-	-	-	-	-
J D Edwards	2,413,706	-	-	(2,413,706) [3]	-
S L Schapera	4,359,504	-	-	(4,359,504) [4]	-
A J Wortlock[6]	-	-	-	-	-
D Wheeler[7]	-	-	-	-	-
Total	19,447,866	-	15,000,000		

1. Performance rights issued on 8 December 2022.
2. Shares issued in lieu of cash payment for investor relation services on 3 November 2022.
3. Shares balance on resignation at 21 March 2023.
4. Shares balance on resignation at 31 December 2022.
5. Shares balance on resignation at 3 August 2022.
6. Shares balance on resignation at 18 May 2023.
7. Shares balance on resignation at 20 June 2023.
8. Shares balance on resignation at 9 June 2023.

ADMINISTRATORS' REPORT (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

SHARES (CONTINUED)

	Balance 1/07/2021 Number	Remuneration Received Number	Performance Rights/Options Exercised Number	Net Other Change Number	Balance 30/06/2022 Number
A Varano Della Vergiliana[6]	3,393,997	-	-	-	3,393,997
J D Edwards	2,021,550	-	-	392,156[1]	2,413,706
S L Schapera	4,359,504	-	-	-	4,359,504
C Reynolds	829,166	-	-	(829,166) [2]	-
A D Wright	833,333	-	-	(833,333)[3]	-
A Eaton	-	-	-	-	-
P Peros	10,800,000	1,068,160[5]	-	(4,250,000)[4]	7,618,160
Total	**22,237,550**	**-**	**15,000,000**		

1. Shares purchased 3 June 2022 under share purchase plan.
2. Shares balance on resignation at 1 December 2021.
3. Shares balance on resignation at 14 April 2022.
4. 5,000,000 shares were disposed off-market on 22 June 2022
   600,000 shares were purchased 2 November 2021
   150,000 shares were purchased 5 November 2021.
5. Shares issued in lieu of remuneration on 29 December 2021.
6. Resigned at 30 June 2022

ADMINISTRATORS' REPORT (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

OPTIONS

The number of options over ordinary shares in the company held during the financial year by each director, including their personally related parties, is set out below.

	Balance 1/07/2022	Granted as Remuneration	Options Exercised	Net Other Change	Balance 30/06/2023	Total Vested 30/06/2023	Total Exercisable 30/06/2023
	Number	Number	Number	Number	Number	Number	Number
J D Edwards	1,347,701	-	-	-	1,347,701	1,347,701	1,347,701
S L Schapera	-	-	-	-	-	-	-
A Eaton	-	-	-	-	-	-	-
A J Wortlock	-	-	-	-	-	-	-
D Wheeler	-	-	-	-	-	-	-
B Pavlovski	-	-	-	-	-	-	-
P Peros	2,700,000	-	-	9,090,910[1]	11,790,910	11,790,910	11,790,910
J Forrester	-	-	-	-	-	-	-
L Clothier	-	-	-	-	-	-	-
Total	4,658,812	-	-	9,090,910	13,138,611	13,138,611	13,138,611

1. 9,090,910 listed options issued in lieu of fees.

ADMINISTRATORS' REPORT (CONTINUED)

REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

OPTIONS (CONTINUED)

	Balance 1/07/2021 Number	Granted as Remuneration Number	Options Exercised Number	Net Other Change Number	Balance 30/06/2022 Number	Total Vested 30/06/2022 Number	Total Exercisable 30/06/2022 Number
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	-	-	-	-	-	-	-
A Eaton	-	-	-	-	-	-	-
P Peros	1,200,000	-	-	1,500,000[1]	2,700,000	2,700,000	2,700,000
Total	**3,158,812**	**-**	**-**	**1,500,000**	**4,658,812**	**4,658,812**	**4,658,812**

1. 1,500,000 listed options issued in lieu of fees.

ADMINISTRATORS' REPORT (CONTINUED)

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

As of 30 June 2023, the following remuneration amounts remained payable:

- The Brand Laboratories FZ LLC, an entity related to the director, Steven Schapera - $86,177

Given the Administrators were not in control of the Group during the year, there may be information that has not been brought to their attention or they have been unable to obtain due to incomplete records, where the impact of which may or may not be material to the annual report, including any further amounts payable to key management personnel and their related parties.

As of 30 June 2022, the following remuneration amounts remained payable:

- The Brand Laboratories FZ LLC, an entity related to the director, Steven Schapera - $90,670
- Antonio Varano Della Vergiliana and Anthony Varano Inc., an entity related to the director, Antonio Varano Della Vergiliana - $89,708
- Anton Eaton - $34,630
- Paul Peros - $300,632 ($54,637 by way of issuance of shares)

ADDITIONAL INFORMATION

The earnings of the Group for the five years to 30 June 2023 are summarised below:

	2023	2022	2021	2020	2019
	$	$	$	$	$
Revenue and other income	1,507,815	2,635,084	1,203,343	1,484,218	2,744,781
EBITDA	(6,159,168)	(7,062,016)	(6,288,694)	(3,729,866)	(1,623,108)
EBIT	(6,272,683)	(7,233,492)	(6,374,256)	(3,802,918)	(1,695,990)
Loss after income tax	(6,354,783)	(7,302,969)	(6,397,257)	(3,713,117)	(1,710,001)

	2023	2022	2021	2020	2019
Share price at financial year end ($)	0.003	0.052	0.05	-*	0.015
Total dividends declared (cents per share)	-	-	-	-	-
Basic and diluted loss per share (cents per share)	(1.71)	(3.06)	(4.10)	(4.10)	(1.89)

*Company was suspended on 30 June 2020.

(END OF AUDITED REMUNERATION REPORT)

PROCEEDINGS ON BEHALF OF THE COMPANY

The Administrators understand 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 behavior and accountability, we understand the directors of Wellfully support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council.

ADMINISTRATORS' REPORT (CONTINUED)

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 ensure 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 MOORE AUSTRALIA AUDIT (WA)

There are no officers of the Company who are former partners of Moore Australia Audit (WA).

NON-AUDIT SERVICES

Any non-audit services that may have been provided by the entity's former auditor, RSM Australia Partners, is shown at Note 17. 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 immediately after this Administrators' report.

AUDITOR

On 8 February 2024, RSM Australia Partners applied to the ASIC to resign as auditor of the Company. The application was approved by ASIC on 19 February 2024 and Moore Australia Audit (WA) was appointed auditor of the Company that same day.

Moore Australia Audit (WA) continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of Wellfully Limited (Administrators Appointed)

Chris Pattinson
Joint and Several Administrator

Perth, Western Australia
29 February 2024

Moore Australia Audit (WA)

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF WELLFULLY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

a) no contraventions of the auditor independence requirements as set out in *the Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of February 2024.

	Note	Consolidated 30 June 2023 $	30 June 2022 $
Revenue and other income	3	1,507,815	2,635,084
Cost of goods sold		(592,547)	(1,236,519)
Net foreign exchange gains/ (losses)		145,174	625,291
Borrowing fee expensed		-	(56,009)
Depreciation expenses		(113,552)	(171,476)
Administration fees		(145,994)	(244,129)
Auditor's remuneration		(143,095)	(77,389)
Consultants and consultants benefits expenses		(374,323)	(662,558)
Directors and employees benefits expenses		(2,005,210)	(3,301,203)
Freight and courier		(51,856)	(10,262)
Legal costs		(91,497)	(168,660)
Marketing and operations services		(1,233,242)	(2,470,599)
Materials and requisites		(1,057,729)	(881,326)
Occupancy expenses		(124,272)	(166,240)
Patent and trademark service fees		(4,398)	(19,898)
Product design and trial testing expenses		-	-
Travel and accommodation		(51,506)	(261,915)
Other expenses		(2,018,551)	(835,161)
Loss before income tax		(6,354,783)	(7,302,969)
Income tax benefit	4	-	-
Loss for the Year		(6,354,783)	(7,302,969)
Other comprehensive (loss)/ income		(633,926)	(419,944)
Total comprehensive loss for the year		(6,988,709)	(7,722,913)
Loss attributable to:			
Members of the parent entity		(6,354,783)	(7,302,969)
Total comprehensive loss attributable to:			
Members of the parent entity		(6,988,709)	(7,722,913)
Basic and diluted loss per share (cents per share)	20	(1.71)	(3.06)

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

	Note	Consolidated 30 June 2023 $	30 June 2022 $
Current Assets			
Cash and cash equivalents	5	269,740	317,669
Trade and other receivables	6	859,505	1, 322,052
Inventories	7	1,840,956	348,071
Total Current Assets		2,970,201	1,987,792
Non-Current Assets			
Plant and equipment	8	389,690	301,220
Right-of-use asset	9	125,781	331,195
Total Non-Current Assets		515,471	632,415
Total Assets		3,485,672	2,620,207
Current Liabilities			
Trade and other payables	10	4,613,754	1,258,956
Contract liabilities	11	130,989	130,989
Lease liabilities	9	45,761	198,167
Borrowings	12	178,500	168,000
Employee benefits provision		139,410	119,978
Total Current Liabilities		5,108,414	1,876,090
Non-Current Liabilities			
Lease liabilities	9	87,390	124,560
Total Non-Current Liabilities		87,390	124,560
Total Liabilities		5,195,804	2,000,650
Net Assets		(1,710,132)	619,557
Equity			
Issued capital	18	51,720,235	48,128,011
Reserves	19	1,068,199	635,329
Accumulated losses		(54,498,566)	(48,143,783)
Total Equity		(1,710,132)	619,557

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

	Issued capital	Share based payment	Consolidated Foreign currency translation reserve	Accumulated losses	Total Equity
	$	$	$	$	$
Balance at 1 July 2021	42,552,152	355,656	241,617	(40,840,814)	2,308,611
Loss for the year	-	-	-	(7,302,969)	(7,302,969)
Other comprehensive loss for the year	-	-	(419,944)	-	(419,944)
Total comprehensive loss for the year	-	-	(419,944)	(7,302,969)	(7,722,913)
Issue of shares	6,259,959	-	-	-	6,259,959
Share issue costs	(684,100)	-	-	-	(684,100)
Options issued during the year	-	458,000	-	-	458,000
	9,508,638	123,322	-	-	9,631,960
Balance at 30 June 2022	48,128,011	813,656	(178,327)	(48,143,783)	619,557
Balance at 1 July 2022	48,128,011	813,656	(178,327)	(48,143,783)	619,557
Loss for the year	-	-	-	(6,354,783)	(6,354,783)
Other comprehensive loss for the year	-	-	(633,926)	-	(633,926)
Total comprehensive loss for the year	-	-	(633,926)	(6,354,783)	(6,988,709)
Issue of shares	4,040,900	-	-	-	4,040,900
Share issue costs	(448,676)	-	-	-	(448,676)
Performance rights issued during the year	-	157,000	-	-	157,000
Options issued during the year	-	909,796	-	-	909,796
	3,592,224	1,066,796	-	-	4,659,020
Balance at 30 June 2023	51,720,235	1,880,452	(812,253)	(54,498,566)	(1,710,132)

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

	Consolidated	
	30 June 2023 $	30 June 2022 $
Cash Flows used in Operating Activities		
Receipts from customers (inclusive of GST)	681,169	2,247,325
Receipts from research and development tax incentives	414,767	414,767
Receipts from government subsidies	115,126	115,126
Payment to suppliers and employees (inclusive of GST)	(3,647,465)	(11,019,249)
Interest received	-	-
Borrowing costs	(7,050)	(7,050)
Net cash inflow used in operating activities	**(2,443,452)**	**(8,249,081)**
Cash Flows used in Investing Activities		
Payments for property, plant and equipment	(106,620)	(32,430)
Net cash outflow used in investing activities	**(106,620)**	**(32,430)**
Cash Flows from Financing Activities		
Proceeds from issue of shares and options	3,600,979	6,157,754
Share & Option issue costs	(448,677)	(331,650)
Repayment of borrowings	(3,500)	-
Repayment of lease liabilities	(157,907)	(157,907)
Net cash flows from financing activities	**2,990,895**	**5,668,197**
Net (decrease)/ increase in cash and cash equivalents	440,823	(2,613,314)
Cash and cash equivalents at the beginning of the year	317,669	2,725,636
Effect of exchange rate fluctuations on cash held	(488,752)	205,347
Cash and cash equivalents at the end of the year	**269,739**	**317,669**

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

Contents of the notes to the financial statements

NOTE 1: BASIS OF PREPARATION

These consolidated financial statements and notes represent those of Wellfully Limited ("Wellfully" or the "Company") and its controlled entities (the "Group"). In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the Parent Entity is disclosed in Note 27.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Wellfully Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue by the Administrators on 28 February 2024.

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 Group'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(x).

GOING CONCERN

For the year ended 30 June 2023, the Group incurred a loss after income tax of $6,354,783 and had net cash outflows from operating activities and investing activities of $2,348,050 and $202,022 respectively. As at 30 June 2023, the Group had net current assets and net assets of ($2,138,213) and ($1,710,132) respectively.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Subsequent to the period end, in early November 2024, an interested party emerged expressing an interest to enter into a transaction with Wellfully. The Potential Transaction contemplates a structure whereby Wellfully will acquire a controlling interest in the interested party, claims of creditors of the Company are acquired, forgiven and/or settled in the administration period and the solvent company is handed back to the board of directors providing an option for the administration of the Company, Bodyguard Lifesciences and International Scientific (or at least Wellfully) to potentially end and for Wellfully to potentially relist on the Australian Securities Exchange.

Notwithstanding the above, the ability of the Group to continue as a going concern is dependent on the Potential Transaction completing and the directors securing additional funding through debt or equity. Given the Potential Transaction is incomplete at the date of this report, there is significant uncertainty as to whether the Company will continue as a going concern and settle its claims in accordance with the Potential Transaction to return it to solvency.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(A) NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Group in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

(B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Wellfully as at 30 June 2023 and the results of all subsidiaries for the year then ended. Wellfully and its subsidiaries together are referred to in these financial statements as the "Group".

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

The acquisition method of accounting is used to account for business combinations by the Group.

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 Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group 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 Group 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.

(C) 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.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(E) PLANT AND EQUIPMENT

Each class of plant and equipment is carried at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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 carrying amount. These are included in profit or loss.

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 3% - 39%

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) 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.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Where there is no expectation of recovering all or part of a financial asset, its carrying value is written off.

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:

- 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
- 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 Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

IMPAIRMENT OF FINANCIAL ASSETS

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 1(h) for further details.

(G) 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.

(H) TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognized 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 60 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 Group 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 recognition and default or delinquency in payments 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 Group 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 recognized at amortised cost, less any allowance for expected credit losses.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group 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.

(J) 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 recognized 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.

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 is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. These obligations are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

DEFINED BENEFIT SUPERANNUATION EXPENSE

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

(K) REVENUE

The Group recognises revenue as follows:

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) REVENUE (CONTINUED)

RENDERING OF SERVICES

Revenue from license 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.

(L) 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.

(M) 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.

(N) 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.

(O) SHARE-BASED PAYMENT TRANSACTIONS

Wellfully Limited provides benefits to employees (including directors) and consultants 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(O) SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

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.

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.

(P) LOSS PER SHARE

BASIC LOSS PER SHARE

Basic loss per share is determined by dividing the operating 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.

(Q) 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.

(R) LEASES

The Group leases various offices and warehouses. Rental contracts are typically made for fixed periods up to 3 years but may have extension options.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(R) LEASES (CONTINUED)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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. 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.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Wellfully Limited, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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 generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(S) CONTRACT LIABILITIES

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) 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 Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group 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.

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.

(U) 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 Group'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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(W) 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.

(V) 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.

(W) FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(X) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(X) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

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.

Detailed information about these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black- Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 22 for further information.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 6, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated	
	30 June 2023 $	30 June 2022 $
Revenue from contracts with customers		
Research and development collaboration and product revenue	1,505,021	2,029,150
Royalties	-	68,447
	1,505,021	2,097,597
Other income		
Government grants and subsidies	2,757	537,408
Interest received	37	79
Total revenue and other income	2,794	2,635,084

DISAGGREGATION OF REVENUE

	Consolidated	
	30 June 2023 $	30 June 2022 $
The disaggregation of revenue from contracts with customers is as follows:		
Geographical region		
Singapore	-	-
Europe	1,505,021	1,859,363
United States	-	238,234
	1,505,021	2,097,597
Timing of revenue recognition		
Services transferred at a point in time	1,505,021	2,097,597
Services transferred over time	-	-
	1,505,021	2,097,597

NOTE 4: INCOME TAX

	30 June 2023	30 June 2022
The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax	(6,354,783)	(7,302,969)
Income tax calculated at 25% (2022: 25%)	(1,588,696)	(1,825,742)
Non-allowable expenditure	266,699	21,212
Non-assessable income	-	(134,347)
Deferred tax assets not recognised	1,434,166	2,023,309
Effect of temporary differences that would be recognised directly in equity	(112,169)	(109,311)
Impact from change in tax rate on unrecognised DTAs	-	42,417
Over provision for tax for prior periods	-	(17,538)
Income tax expenses	-	-
The following deferred tax assets have not been brought to account as assets:		
Tax losses available at 25% (2022: 25%) tax rate	-	5,994,129

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 Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	
	30 June 2023 $	30 June 2022 $
Cash on hand	2,466	2,465
Cash at bank	267,274	315,204
Total cash & cash equivalents	**269,740**	**317,669**

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated	
	30 June 2023 $	30 June 2022 $
Current:		
Trade receivables	578,197	337,783
Prepayments	(169)	842,743
GST refundable	31,375	14,036
Loans	159,805	76,193
Leasehold deposit	8,243	8,261
Other receivables	82,054	43,036
Total trade and other receivables	859,505	1,322,052

ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Group recognised $36,207 (2022: $107,431) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

	Consolidated	
	30 June 2023 $	30 June 2022 $
Past due but not impaired		
Customers with balances past due but without provision for impairment		
0 to 6 months overdue	-	257,118
6 to 12 months overdue	-	80,665
12 to 18 months overdue	336,808	-
	336,808	337,783

NOTE 7: INVENTORIES

	Consolidated	
	30 June 2023 $	30 June 2022 $
Raw materials	1,220,406	306,800
Finished goods	620,550	41,271
	1,840,956	348,071

NOTE 8: PLANT AND EQUIPMENT

	Consolidated	
	30 June 2023	30 June 2022
Plant and equipment at cost	908,628	802,008
Accumulated depreciation	(518,938)	(500,788)
Total plant and equipment	389,690	301,220

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

Carrying amount at the beginning of year	301,220	298,915
Additions	202,022	32,430
Disposals	-	-
Depreciation expense	(113,552)	(30,125)
Carrying amount at the end of year	389,690	301,220

NOTE 9: LEASES

(a) Amounts recognized in the Statement of Financial Position

	Consolidated	
	30 June 2023 $	30 June 2022 $
Right-of-use asset		
Buildings	125,781	331,195
Lease Liabilities		
Current	45,761	198,167
Non-current	87,390	124,560
	133,151	322,727

There were no additions to the right-of-use assets during the year.

(b) Amounts recognized in the Statement of profit or loss

	Consolidated	
	30 June 2023 $	30 June 2022 $
Depreciation charge of right-of-use assets	205,414	150,902
Interest expense	7,050	6,308

NOTE 10: TRADE AND OTHER PAYABLES

Current

	Consolidated	
	30 June 2023 $	30 June 2022 $
Trade creditors	3,071,407	588,972
Other creditors and accruals	1,542,348	669,984
	4,613,754	1,258,956

NOTE 11: CONTRACT LIABILITIES

	Consolidated	
	30-Jun 2023 $	30-Jun 2022 $
Opening balance	130,989	276,763
Payments received in advance	-	-
Transfer to revenue - included in the opening balance	-	(145,774)
Closing balance	130,989	130,989

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $130,989 as at 30 June 2023 (2022: $131,716) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	30-Jun 2023 $	30-Jun 2022 $
Within 6 months	-	-
6 to 12 months	130,989	130,989
	130,989	130,989

NOTE 12: BORROWINGS

	Consolidated	
	30 June 2023 $	30 June 2022 $
Convertible notes - unsecured	140,000	140,000
Convertible notes - unpaid interest	38,500	28,000
	178,500	168,000

NOTE 12: BORROWINGS (CONTINUED)

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.

In 30 April 2022 the Company entered into a capital funding facility agreement ("Capital Commitment Agreement") of up to A$55 million over a three year period with Luxembourg based GEM Global Yield LLC SCS ("GGY").

Subject to the terms of a Capital Commitment Agreement, the Company may choose to, on one or more occasions within the three year period, and subject to conditions precedent, draw down on the facility by giving GGY notice to subscribe for fully paid ordinary shares in the Company of no more than being 7 times average daily numbers of Wellfully shares traded on ASX during the 15 trading days (subject to certain adjustments) prior to and excluding the date of the draw down notice.

If the Company issues a draw down notice, the subscription price of the shares to be issued to GGY (or its nominees) will be 90% of the higher of:

- the volume weighted average price of Wellfully shares as quoted by ASX over the pricing period, being the 15 consecutive trading days after Wellfully gives the draw down notice to GGY (subject to certain adjustments); or
- a fixed floor price nominated by the Company in its draw down notice, which must not be higher than the closing trade price of a Wellfully share on the trading day immediately preceding the date of the draw down notice.

The Company has given to GGY warranties, representations and indemnities as are customary for agreements of this type.

The Company has agreed to pay a fee of A$550,000 (exclusive of GST) to GGY in connection with the Capital Commitment Agreement. The Company may choose to pay part or all of such fee in shares calculated at 95% of the volume weighted average price of Wellfully shares during the 15 consecutive trading days prior to payment. In addition, the Company will issue to GGY or its nominee 19.3 million options, each exercisable by the option holder into one Wellfully share at an exercise price of $0.15 within 5 years from grant date. If on 29 April 2023 the volume weighted average price of Wellfully shares for the 5 trading days immediately preceding 29 April 2023 (Market Price) is $0.135 or less, then the exercise price will be adjusted to an amount equal to 105% of the Market Price.

The Capital Commitment Agreement has a three year term and is not secured.

NOTE 13: COMMITMENTS

There are no commitments outstanding at 30 June 2023 (30 June 2022: Nil).

NOTE 14: CASH FLOW INFORMATION

	Consolidated	
	30 June 2023 $	30 June 2022 $
Reconciliation of net cash and cash equivalents used in operating activities to loss for the year:		
Loss for the year	(6,354,783)	(7,302,969)
Borrowing costs expensed	1	169,812
Depreciation	113,552	171,476
Employee benefits provisions	19,431	26,275
Share based payments	1,066,796	-
Foreign exchange movements	(145,174)	(625,291)
Administrative fee, directors fee and salary paid via shares	207,755	207,755
Movements in assets and liabilities:		
Trade and other receivables	462,547	(1,266,118)
Inventories	(1,492,885)	(251,317)
Trade and other payables	3,312,726	767,070
Contract liabilities	-	(145,774)
Net cash used in operating activities	(2,443,452)	(8,249,081)

NOTE 15: KEY MANAGEMENT PERSONNEL

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

Mr Jeffrey David Edwards	Director – Executive	(retired 21 March 2023)
Mr Steven Lorn Schapera	Director – Non-Executive	(retired 31 December 2022)
Mr Andrew John Wortlock	Director – Non-Executive	(retired 18 May 2023)
Mr David Wheeler	Director – Non-Executive	(appointed 1 February 2023, retired 9 June 2023)
Mr Blagojce (Bill) Pavlovski	Director – Non-Executive	(appointed 9 June 2023, retired 20 June 2023)
Mr Anton Eaton	Director – Non-Executive	(retired 3 August 2022)
Mr Paul Peros	CEO and Director - Executive	
Mr John Forrester	Director – Non-Executive	(appointed 18 May 2023)
Ms Lea Clothier	Director – Non-Executive	(appointed 9 June 2023)

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 2022.

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

	Consolidated	
	30 June 2023	30 June 2022
	$	$
Short term employee benefits	1,226,663	1,226,663
Post-employment benefits	19,000	19,000
	1,245,663	1,245,663

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

NOTE 16: 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	
		2023	2022
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%	100%
Swisswell Sagl	Switzerland	100%	100%
Wellfully Ltd	Ireland	100%	100%

NOTE 17: AUDITOR'S REMUNERATION

AMOUNTS PAID OR DUE AND PAYABLE TO THE AUDITOR FOR:

	Consolidated	
	30 June 2023 $	30 June 2022 $
Audit and review services	159,257	100,000
R&D tax refund services	-	31,107
Information Technology consulting services	177,789	31,539
Total	**337,046**	**162,646**

NOTE 18: ISSUED CAPITAL

(A) ISSUED CAPITAL

	Consolidated	
	30 June 2023 $	30 June 2022 $
492,944,138 fully paid shares (2022: 270,560,230)	51,720,235	48,128,011

(B) MOVEMENTS IN ORDINARY SHARE CAPITAL OF THE COMPANY DURING THE YEAR WERE AS FOLLOWS:

Date	Details	Number of shares	Issue Price	$
1/07/2022	Opening balance	270,560,230		48,128,011
4/07/2022	Placement	2,600,000	0.05	130,000
8/07/2022	Placement	2,000,000	0.05	100,000
11/08/2022	Placement	3,537,000	0.04	136,528
18/10/2022	Capital raising	53,104,544	0.02	1,168,300
20/10/2022	Capital raising	12,427,272	0.02	273,400
20/10/2022	Placement - Celtic Capital loan repayment	10,101,000	0.02	222,222
3/11/2022	Placement	21,954,549	0.02	483,000
3/11/2022	Placement	772,724	0.02	17,000
3/11/2022	Shares issued in lieu of fees	5,000,000	0.04	190,000
9/12/2022	Placement	9,090,910	0.02	200,000
13/04/2023	Placement	99,090,909	0.01	1,090,000
20/04/2023	Shares issued in lieu of services	2,700,000	0.01	29,700
26/04/2023	Conversion of options	5,000	0.15	750
	Less: transaction costs arising on share issues			(448,676)
30/06/2023	Closing balance	492,944,138		51,720,235

NOTE 18: ISSUED CAPITAL (CONTINUED)

(B) MOVEMENTS IN ORDINARY SHARE CAPITAL OF THE COMPANY DURING THE YEAR WERE AS FOLLOWS (CONTINUED)

Date	Details	Number of shares	Issue Price	$
1/07/2021	Opening balance	209,820,466		42,552,152
23/09/2021	Conversion of options	1,000	0.150	150
29/09/2021	Conversion of options	1,000	0.150	150
21/10/2021	Capital raising	38,461,539	0.130	5,000,000
27/10/2021	Conversion of options	1,000	0.150	150
29/12/2021	Shares issued in lieu of fees	1,068,160	0.071	75,839
29/12/2021	Shares issued in lieu of fees	450,250	0.062	27,916
12/05/2022	Placement	3,600,000	0.080	288,000
3/06/2022	Capital raising	17,156,815	0.051	867,754
Less: transaction costs arising on share issues				(448,677)
30/06/2022	Closing balance	270,560,230		48,128,011

(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.

Every member present at a meeting in person or by proxy shall have one vote for each share conducted via a poll.

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

(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 2023 and no dividends are expected to be paid in 2024.

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

NOTE 19: RESERVES

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Foreign currency translation reserve	(812,253)	(178,327)
Share-based payments reserve	1,880,452	813,656
	1,068,199	635,329

The share-based payments reserve records items recognised as expenses on valuation of consultant share options.

MOVEMENTS IN OPTIONS WERE AS FOLLOWS:

Movements in options		**Number of Options** **Listed**	**Unlisted**	**Fair Value of Options Issued $**	**Exercise Price $**	**Expiry Date**
1/07/2022	Opening balance	194,803,947	6,150,000	813,656		
22/08/2022	Unlisted options in lieu of fees	-	10,000,000	167,508	0.02200	22/08/2025
22/12/2022	Unlisted options in lieu of fees	-	19,300,000	121,581	0.15000	30/04/2027
23/12/2022	Listed options in lieu of fees	15,000,000	-	138,025	0.03300	23/12/2024
23/12/2022	Free attaching listed options in lieu of fees	87,486,365	-	-	0.03300	23/12/2024
23/12/2022	Listed options in lieu of fees	772,724	-	-	0.03300	23/12/2024
23/12/2022	Listed options in lieu of fees	10,101,000	-	98,990	0.03300	23/12/2024
23/12/2022	Listed options in lieu of fees	9,090,910	-	72,727	0.03300	23/12/2024
6/04/2023	Unlisted options in lieu of fees – broker options	-	45,000,000	310,955	0.00001	30/03/2027
30/6/2023	Closing balance	317,254,946	80,450,000	1,723,452		

NOTE 19: RESERVES (CONTINUED)

Movements in options		**Number of Options**		**Fair Value of Options Issued**	**Exercise Price**	**Expiry Date**
		Listed	**Unlisted**	**$**	**$**	
1/07/2021	Opening balance	154,986,434	6,150,000	355,656		
23/09/2021	Conversion	(1,000)	-	-	0.15	31/03/2023
29/09/2021	Conversion	(1,000)	-	-	0.15	31/03/2023
27/10/2021	Conversion	(1,000)	-	-	0.15	31/03/2023
29/12/2021	Listed options in lieu of fees	2,000,000	-	40,000	0.15	31/03/2023
29/12/2021	Listed options in lieu of fees	2,000,000	-	34,000	0.15	31/03/2023
23/02/2022	Free attaching listed options in lieu to lead manager	20,000,000	-	354,000	0.20	23/02/2024
23/02/2022	Listed options for shareholder	12,820,513	-	-	0.20	23/02/2024
2/03/2022	Free attaching listed options in lieu of fees	3,000,000	-	30,000	0.15	31/03/2023
30/06/2022	Closing balance	194,803,947	6,150,000	813,656		

NOTE 20: 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 2023	30 June 2022
	$	$
Loss for the year	(6,354,783)	(7,302,969)
Loss used in calculating basic and diluted loss per share	(6,354,783)	(7,302,969)
Weighted average number of ordinary shares used in calculating basic loss per share:	371,020,755	238,998,942
Weighted average number of ordinary shares used in calculating diluted loss per share:	371,020,755	238,998,942
Basic loss per share (cents per share)	(1.71)	(3.06)

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

NOTE 21: RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The main risk arising from the Group's financial instruments is cash flow interest rate risk. Other minor risks are either summarised below or disclosed at Note 18 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

CASH FLOW INTEREST RATE RISK

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group 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 Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. The Group has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Group does not have a formal policy in place to mitigate such risks.

2023		Fixed Interest Rate Maturing					
Consolidated	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	269,740	-	-	-	-	269,740	-
Trade and other receivables	859,505	-	-	-	-	859,505	-
	1,129,245	-	-	-	-	1,129,245	
Financial liabilities:							
Trade and other payables	4,613,754	-	-	-	-	4,613,754	-
Borrowings	38,500	140,000	-	-	-	178,500	10%
	4,652,254	140,000	-	-	-	4,792,254	
Net financial instruments	(3,523,009)	(140,000)	-	-	-	(3,663,009)	

NOTE 21: RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

2022 Consolidated	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	317,669	-	-	-	-	317,669	-
Trade and other receivables	1,322,052	-	-	-	-	1,322,052	-
	1,639,721	-	-	-	-	1,639,721	
Financial liabilities:							
Trade and other payables	1,258,956	-	-	-	-	1,258,956	-
Borrowings	28,000	140,000	-	-	-	168,000	10%
	1,286,956	140,000	-	-	-	1,426,956	
Net financial instruments	352,765	(140,000)	-	-	-	212,765	

INTEREST RATE SENSITIVITY

At 30 June 2023, 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 $nil (2022: $318), mainly as the group has minimal cash and cash equivalents held on interest bearing deposits.

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.

CREDIT RISK EXPOSURE

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group 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 Group does not hold any collateral.

The Group 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 Group based on recent sales experience, historical collection rates and forward-looking information that is available.

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

NOTE 21: RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

LIQUIDITY RISK

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

	Consolidated	
	30-Jun 2023 $	30-Jun 2022 $
Contracted maturities of liabilities at 30 June		
Payables		
- one year or less	4,613,754	1,258,956
- between one and two years	-	-
Borrowings		
- one year or less	178,500	168,000
Lease Liabilities		
- one year or less	45,761	198,167
- between one and two years	87,390	102,211
- between two and five years	-	22,349
	4,925,405	1,749,683

FOREIGN EXCHANGE RISK

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The sensitivity analysis below details the Group's sensitivity to an increase/decrease in the Australian dollar against the foreign currencies, including United States Dollar, Euro, British Pound Sterling, Croatian Kuna, Swiss Franc and Chinese Yen. The sensitivity analysis includes only outstanding foreign currency denominated monetary items within the Group.

200 basis points is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

At balance date, if foreign exchange rates had been 200 basis point higher or lower and all other variables were held constant, the Group's loss would increase/decrease by $11,745.

For the year ending 30 June 2023 the Group was 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.

NET FAIR VALUES

For other assets and liabilities, the net fair value approximates their carrying value. The Group 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 22: SHARE-BASED PAYMENTS

Performance rights

On 25 November 2022 the Board approved the issue of 15,000,000 performance rights in 3 tranches. These performance rights were issued on 8 December 2022 with nil exercise price. The valuation of the Performance Rights was achieved using a combination of Hoadley's Barrier1 Model and Hoadley's Parisian Model with the following assumptions:

Grant date	Expiry date	Quantity	Share price at grant date	Target price	Expected volatility	Risk-free interest rate	Fair value at grant date
		No.	$	$	%	%	$
25/11/2022	9/12/2025	5,000,000	0.021	0.1	100	3.21	0.0126
25/11/2022	9/12/2025	5,000,000	0.021	0.15	100	3.21	0.0102
25/11/2022	9/12/2025	5,000,000	0.021	0.2	100	3.21	0.0086

Volatility was determined through an analysis undertaken of comparable companies' share price volatility over a comparable period.

Options

22 December 2022 19,300,000 options were issued to consultants, after Board approval. The value of the options components were calculated using Hoadley's ESO1 Model. The share price and exercise price inputs for the valuation of the options were calculated using a Monte Carlo Model. The inputs are as follows:

Grant date	Expiry date	Quantity	Share price at grant date	Exercise Price	Expected volatility	Risk-free interest rate	Fair value at grant date
		No.	$	$	%	%	$
29/04/2022	29/04/2023	11,230,000	0.077	0.15	85	2.9	0.011
18/10/2022	18/10/2023	8,070,000	0.029	0.15	85	3.6	0.001

On 22 August 2022 10,000,000 options were granted to a contractor in lieu of services to be rendered during 6 months period. These options have not been issued before 31 December 2022. Trinomial Lattice option model was the valuation model used to determine the fair value of these options on the grant date and the inputs are as follows:

Grant date	Expiry date	Quantity	Share price at grant date	Exercise Price	Expected volatility	Risk-free interest rate	Fair value at grant date
		No.	$	$	%	%	$
22/08/2022	22/08/2025	10,000,000	0.038	0.022	100	3.22	0.023

On 25 November 2022 15,000,000 options were granted to a contractor in lieu of services rendered. These were issued on 23 December 2022 . Black Scholes was the valuation model used to determine the fair value of these options on the grant date and the inputs are as follows:

Grant date	Expiry date	Quantity	Share price at grant date	Exercise Price	Expected volatility	Risk-free interest rate	Fair value at grant date
		No.	$	$	%	%	$
25/11/2022	23/12/2024	15,000,000	0.021	0.033	101	3.19	0.009

NOTE 22: SHARE-BASED PAYMENTS (CONTINUED)

On 9 December 2022 10,101,000 options were granted to consultants in lieu of services rendered. Trinomial Lattice option model was the valuation model used to determine the fair value of these options on the grant date and the inputs are as follows:

Grant date	Expiry date	Quantity	Share price at grant date	Exercise Price	Expected volatility	Risk-free interest rate	Fair value at grant date
		No.	$	$	%	%	$
9/12/2022	23/12/2024	10,101,000	0.023	0.033	100	3.75	0.01

On 9 December 2022 9,090,910 options were granted to a related party in lieu of services rendered. Trinomial Lattice option model was the valuation model used to determine the fair value of these options on the grant date and the inputs are as follows:

Grant date	Expiry date	Quantity	Share price at grant date	Exercise Price	Expected volatility	Risk-free interest rate	Fair value at grant date
		No.	$	$	%	%	$
23/12/2022	23/12/2024	9,090,910	0.016	0.033	100	3.04	0.008

On 9 February 2023, 45,000,000 options were agreed to be issued to CPS Capital for services in connection with the Placement completed in April 2023, and its role as corporate advisory to the Group. As at 30 June 2023, these options are yet to be issued. A Black-Scholes Merton option model was the valuation model used to determine the fair value of these options on the grant date and the inputs are as follows:

Measurement date	Expiry date	Quantity	Share price at grant date	Exercise Price	Expected volatility	Risk-free interest rate	Fair value at grant date
		No.	$	$	%	%	$
9/02/2023	30/03/2027	45,000,000	0.014	0.033	92	3.43	0.007

Shares

On 3 November 2022 Wellfully issued 5,000,000 shares in lieu of cash payment for investors relation services, including social media and business media services. The shares were issued at the same price at the capital raised on the same date.

Summary of share-based payments expenses recognised during this year:

Recognised	Details	Number	$
Profit or loss	Performance rights granted	15,000,000	157,000
Profit or loss	Options granted	93,491,910	773,271
Equity	Options granted	15,000,000	136,525
Profit or loss	Issue of shares	5,000,000	219,700

NOTE 23: EVENTS SUBSEQUENT TO THE REPORTING DATE

- On 4 July 2022, 2,600,000 shares were issued at $0.05 per security.

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 Group, the results of those operations, or the state of affairs of the Group, which has not been announced to the market.

NOTE 24: SEGMENT INFORMATION

The Group has considered the requirements of AASB8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

CONSOLIDATED – 30 JUNE 2023

The Group operates in two segments which are development of the Dermaportation drug delivery technology and devices segments.

2023	Dermaportation and drug delivery technology	Devices	Total
	$	$	$
Revenue			
Revenue and Royalties	482,320	1,022,701	1,505,021
Interest revenue	-	37	37
Government grants and subsidies	2,757	-	2,757
Net foreign exchange gains	(816)	145,990	145,174
Total revenue	**484,261**	**2,585,815**	**3,260,376**
EBITDA	(2,697,009)	(3,462,160)	(6,159,168)
Expenses			
Depreciation and amortisation	(81,322)	(32,230)	(113,552)
Interest revenue	-	37	37
Finance costs written off	(79,151)	(2,948)	(82,099)
Intersegment eliminations	-	-	-
Total expenses	**(160,474)**	**(35,141)**	**(195,615)**
Loss before income tax	**(2,857,482)**	**(3,497,301)**	**(6,354,783)**
Income tax	-	-	-
Loss after income tax	**(2,857,482)**	**(3,497,301)**	**(6,354,783)**
Assets			
Segment assets	15,498,329	3,191,168	18,689,497
Intersegment eliminations	-	-	(15,203,825)
Total Assets	**15,498,329**	**3,191,168**	**3,485,672**
Liabilities			
Segment liabilities	(2,529,487)	(18,321,238)	(20,850,725)
Intersegment eliminations	-	-	15,654,921
Total Liabilities	**(2,529,487)**	**(18,321,238)**	**(5,195,804)**

Segment revenues are allocated based on the country in which the customer is located. Operating revenues of $1,261,537 or 56% are derived from a single external party. Segment assets are allocated to countries based on where the assets are located.

NOTE 25: CONTIGENT ASSETS AND LIABILITIES

The Administrators 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 26: RELATED PARTY TRANSACTIONS

PARENT ENTITY

Wellfully Limited is the Parent Entity.

SUBSIDIARIES

Interests in subsidiaries are set out in Note 16.

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in Note 15 and the remuneration report in the Administrators' Report.

TRANSACTIONS WITH RELATED PARTIES

As set out in Note 15 and the remuneration report in the Administrators' Report.

RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES

As of 30 June 2023, the following remuneration amounts remained payable:

- The Brand Laboratories FZ LLC, an entity related to the director, Steven Schapera - $86,177

Given the Administrators were not in control of the Group during the period, there may be information that has not been brought to their attention or they have been unable to obtain where the impact of which may or may not be material to the accounts including any further amounts payable to key management personnel and their related parties.

As of 30 June 2022, the following remuneration amounts remained payable:

- The Brand Laboratories FZ LLC, an entity related to the director, Steven Schapera - $90,670
- Antonio Varano Della Vergiliana and Anthony Varano Inc., an entity related to the director, Antonio Varano Della Vergiliana - $89,708
- Anton Eaton - $34,630
- Paul Peros - $300,632 ($54,637 by way of issuance of shares)

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 27: PARENT ENTITY DISCLOSURES

	Parent 2023 $	Parent 2022 $
Statement of financial position		
Total current assets	92,540	1,341,999
Total non-current assets	199,752	402,074
Total assets	**292,292**	**1,744,073**
Total current liabilities	2,529,045	1,078,755
Total non-current liabilities	-	45,761
Total liabilities	**2,529,045**	**1,124,516**
Net Assets	**(2,236,753)**	**619,557**
Issued capital	51,720,235	48,128,011
Share-based payment reserve	1,880,452	813,656
Accumulated losses	(55,837,439)	(48,322,110)
Total equity	**(2,236,752)**	**619,557**
Statement of profit or loss and other comprehensive income		
Loss for the year	(7,515,329)	(7,319,250)
Other comprehensive income	-	-
Total comprehensive income	**(7,515,329)**	**(7,319,250)**

(A) GUARANTEES

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

(B) OTHER COMMITMENTS AND CONTIGENCIES

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.

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

(C) SIGNIFICANT ACCOUNTING POLICIES

Wellfully Limited accounting policies do not differ from the Group disclosed in Note 2.

On behalf of the Administrators of Wellfully, I state that:

1. In the opinion of the Administrators:

   b. The financial statements, notes and additional disclosures included in the administrators’ report designated as audited, are 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 2022 and of its performance for the year ended on that date based on the records in the possession of the Administrators; and

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

2. The Administrators draw attention to the financial statements and notes thereto which includes a statement of compliance with International Financial Reporting Standards.

On behalf of the Administrators

Christopher Pattinson
Joint and Several Administrator

AUSTRALIAN COMPANY NUMBER:
056 482 636

DIRECTORS:
John Forrester
Lea Clothier
Blagojce (Bill) Pavlovski
Paul Peros

SECRETARY:
Blagojce (Bill) Pavlovski

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MOORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLFULLY LIMITED

Report on the Audit of the Financial Report

Disclaimer of Opinion

We have audited the financial report of Wellfully Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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.

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph noted below, we were unable to, and do not express an opinion as to whether:

a) 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 2023 and of its financial performance for the year then ended; and

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

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter – Material Uncertainty Regarding Going Concern

We draw attention to Note 1 – Going Concern in the financial report. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at amounts recorded in the statement of financial position.

Basis for Disclaimer of 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

As detailed in the Administrators' Report, Mr Christopher Pattinson and Mr Bryan Hughes ("Administrators") were appointed joint and several Administrators of Wellfully Limited on 18 August 2023 and of its Australian subsidiaries International Scientific Pty Ltd and Bodyguard Lifescience's Pty Ltd on 24 August 2023. The Administrators assumed operational and management control of these companies from their date of appointment and remain in control as at the date of this audit report.

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WELLFULLY LIMITED (CONTINUED)

Basis for Disclaimer of Opinion (continued)

A significant portion of the Group's operations have been conducted by its subsidiary incorporated in Switzerland (Wellfully SA) and in turn by companies Wellfully SA controls, operating in a number of foreign jurisdictions. As noted in the Administrators' Report: *Incomplete Records*, in preparing the financial report of the Group for the year ended 30 June 2023 the Administrators have not been able to source all books and records of Welfully SA and the other foreign subsidiaries.

Whilst the books and records of the consolidated Group have otherwise been reconstructed by the Administrators, to the maximum extent possible, we were unable to obtain sufficient appropriate evidence to verify material account balances and amounts disclosed in the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date. As a result, we were unable to determine whether any adjustments to the amounts recorded in the financial report were necessary.

As stated in Note 1 and in the Administrators' Declaration, the Directors/Administrators are unable to state that the financial report has been prepared in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

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 2023 but does not include the financial report and our 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 *Corporations 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 has no realistic alternative but to do so.

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WELLFULLY LIMITED (CONTINUED)

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 on the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Disclaimer of Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2023.

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we were unable to, and do not express an opinion as to whether, the Remuneration Report of Wellfully Limited (Subject to deed of Company Arrangement) for the year ended 30 June 2023 complies with Section 300A of the Corporations Act 2001.

Basis for Disclaimer of Opinion

Due to the matters described in the Basis for Disclaimer of Opinion paragraph noted above, we were unable to obtain sufficient appropriate evidence to verify the amounts disclosed in the Remuneration Report for the year ended 30 June 2023. As a result, we were unable to determine whether any adjustments to these amounts were necessary.

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.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of February 2024.

The shareholder information set out below was applicable at 18 August 2023.

(A) CORPORATE GOVERNANCE

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period can be found on the Company's website: https://wellfully.net/corporate-governance/.

(B) QUOTED SECURITIES – FULLY PAID ORDINARY SHARES

SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed on the company's register:

Name of Shareholder	No. of Ordinary Shares Held	Percentage of Shares Held %
Rokamaho Pty Ltd <Pumba Blossom A/C>	22,000,000	7.89%
KJM Security Pty Ltd	14,015,897	5.03%
Total	**36,015,897**	**12.92%**

NUMBER OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES AND VOTING RIGHTS

There are 454 holders of ordinary shares.

Each shareholder is entitled to one vote per share held. Every shareholder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

DISTRIBUTION SCHEDULE OF THE NUMBER OF ORDINARY HOLDERS

The distribution of shareholders is as follows:

Spread of Holdings:	No. of Holders	No. of Shares	Percentage of Issued Capital %
1 – 1,000	206	26,506	0.01%
1,001 – 5,000	126	398,469	0.14%
5,001 – 10,000	291	2,442,116	0.88%
10,001 – 100,000	811	29,454,055	10.57%
100,000 +	361	246,376,084	88.40%
	1,795	**278,697,230**	**100.00%**

MARKETABLE PARCEL

There are 788 shareholders with less than a marketable parcel.

RESTRICTED SECURITIES

There are no restricted securities on escrow at the date of this report.

ON-MARKET BUY BACK

At the date of this report, the Company is not involved in an on-market buy back.

20 LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITY

The 20 largest shareholders of ordinary shares:

Position	Name of Shareholder	No. of Ordinary Shares Held	Percentage of Issued Shares %
1	Rokamaho Pty Ltd <Pumba Blossom A/C>	22,000,000	7.89%
2	KJM Security Pty Ltd	14,015,897	5.03%
3	Via Pastura Limited	7,618,160	2.73%
4	Citicorp Nominees Pty Limited	7,405,058	2.66%
5	Mr Neville Hinrichsen & Mrs Annette Hinrichsen	5,426,500	1.95%
6	Nah Superannuation Pty Ltd <Nah Superannuation Fund A/C>	5,310,200	1.91%
7	Mr Danny Allen Pavlovich <Pavlovich Family Spec 2 A/C>	4,530,638	1.63%
8	Steven Schapera	4,359,504	1.56%
9	Neaverson Super Fund Pty Limited <Neaverson Super Fund A/C>	4,208,865	1.51%
10	Mr Gregory Mavin Parker	4,207,130	1.51%
11	Dr Alok Jhamb	4,015,196	1.44%
12*	Mr Victor Kuliveovski	4,000,000	1.44%
12*	RFID Systems Pty Ltd <The RFID Consulting A/C>	4,000,000	1.44%
13	Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	3,981,539	1.43%
14	Gem Global Yield LLC SCS	3,537,000	1.27%
15	Geoffrey Blackshaw Superannuation Fund Pty Limited <Geoffrey Blackshaw S/F A/C>	3,402,500	1.22%
16	Antonio Vergiliana	3,393,997	1.22%
17	BNP Paribas Noms Pty Ltd <DRP>	2,749,468	0.99%
18	Jeffrey Edwards	2,413,706	0.87%
19	Ms Karen Sarah Hames & Mr Travis David Kane	2,392,976	0.86%
20	Mr Scott Jungwirth	2,200,000	0.79%
	Total	**115,168,334**	**41.32%**

Note: *indicates Shareholders are ranked equally in terms of the number of ordinary fully paid shares held.

(C) QUOTED SECURITIES – WFLO LISTED OPTIONS AT $0.15 EACH, EXPIRY 31 MARCH 2023

SUBSTANTIAL WFLO LISTED OPTIONHOLDERS

The names of the substantial WFLO optionholders listed on the company's register:

Name of WFLO Optionholder	No. of WFLO Options Held	Percentage of WFLO Options %
Rokamaho Pty Ltd <Pumba Blossom A/C>	12,536,250	7.74%
Otis Developments Pty Ltd	12,047,829	7.44%
Mr Neville Hinrichsen & Mrs Annette Hinrichsen	10,512,684	6.49%
Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	10,000,000	6.17%
Mr Allan Keith Clarke	8,888,888	5.49%
Total	53,985,651	33.33%

NUMBER OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES AND VOTING RIGHTS

There are 647 holders of WFLO options.

Holders of WFLO 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.

DISTRIBUTION SCHEDULE OF THE NUMBER OF WFLO LISTED OPTIONS

The distribution of WFLO option holders is as follows:

Spread of Holdings:	No. of WFLO Option holders	No. of WFLO Options	Percentage of Issued WFLO Options %
1 – 1,000	43	17,796	0.01%
1,001 – 5,000	111	308,668	0.19%
5,001 – 10,000	63	444,908	0.27%
10,001 – 100,000	246	10,495,341	6.48%
100,000 +	184	150,716,721	93.05%
	647	161,983,434	100.00%

20 LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITY

The 20 largest holders of WFLO listed options:

Position	Name of WFLO Option holder	No. of WFLO Options Held	Percentage of WFLO Options %
1	Rokamaho Pty Ltd <Pumba Blossom A/C>	12,536,250	7.74%
2	Otis Developments Pty Ltd	12,047,829	7.44%
3	Mr Neville Hinrichsen & Mrs Annette Hinrichsen	10,512,684	6.49%
4	Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	10,000,000	6.17%
5	Mr Allan Keith Clarke	8,888,888	5.49%
6	Happy Felix Pty Ltd <The Cords A/C>	5,862,000	3.62%
7	RFID Systems Pty Ltd <The RFID Consulting A/C>	7,179,971	4.43%
8	Black Wind Pty Ltd <Aloy Hooi Superfund A/C>	3,350,000	2.07%
9	Nah Superannuation Pty Ltd <Nah Superannuation Fund A/C>	2,550,134	1.57%
10	Mr Danny Allen Pavlovich <Pavlovich Family Spec 2 A/C>	2,507,605	1.55%
11	BNP Paribas Nominees Pty Ltd <IB Au Noms Retail client DRP>	2,283,846	1.41%
12	Mr Christopher John Middleton	2,200,000	1.36%
13	Mr Victor Kuliveovski	2,000,000	1.23%
14	Norris SMSF Pty Ltd <Norris S/F A/C>	1,799,464	1.11%
15	Dr Alok Jhamb	1,666,667	1.03%
16	Mr Samuel Anthony Hawkins	1,599,000	0.99%
17	Desert Monkey <The Desert Monkey A/C>	1,588,512	0.98%
18	Mr Pradeep Raghavan	1,541,182	0.95%
19*	Via Pastura Limited	1,500,000	0.93%
19*	Baowin Investments Pty Ltd	1,500,000	0.93%
20	Jrar Pty Ltd <Jrar A/C>	1,481,567	0.91%
	Total	**94,595,599**	**58.40%**

Note: * indicates Option holders are ranked equally in terms of the number of WFLO listed options held.

(C) QUOTED SECURITIES – WFLOA LISTED OPTIONS AT $0.20 EACH, EXPIRY 23 FEBRUARY 2024

SUBSTANTIAL WFLOA LISTED OPTIONHOLDERS

The names of the substantial WFLOA option holders listed on the company's register:

Name of WFLOA Option holder	No. of WFLOA Options Held	Percentage of WFLOA Options %
Celtic Capital Pty Ltd	13,435,000	40.93%
CPS Capital No 5 Pty Ltd	3,958,334	12.06%
Rokamaho Pty Ltd <Pumba Blossom A/C>	2,000,000	6.09%
Total	19,393,334	59.08%

NUMBER OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES AND VOTING RIGHTS

There are 124 holders of WFLOA options.

Holders of WFLOA 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.

DISTRIBUTION SCHEDULE OF THE NUMBER OF WFLOA LISTED OPTIONS

The distribution of WFLOA option holders is as follows:

Spread of Holdings:	No. of WFLOA Option holders	No. of WFLOA Options	Percentage of Issued WFLOA Options %
1 – 1,000	-	-	-
1,001 – 5,000	2	5,362	0.02%
5,001 – 10,000	3	25,128	0.08%
10,001 – 100,000	83	3,609,574	11.00%
100,000 +	36	29,180,449	88.90%
	124	32,820,513	100.00%

20 LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITY

The 20 largest holders of WFLOA listed options:

Position	Name of WFLOA Option holder	No. of WFLOA Options Held	Percentage of WFLOA Options %
1	Celtic Capital Pty Ltd	13,435,000	40.93%
2	CPS Capital No 5 Pty Ltd	3,958,334	12.06%
3	Rokamaho Pty Ltd <Pumba Blossom A/C>	2,000,000	6.09%
4	Mr Russell Dean Thomson	1,295,635	3.95%
5	Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	993,846	3.03%
6	Mr Shannon Damien Aria	735,500	2.24%
7	Altor Capital Management Pty Ltd <Altor Alpha Fund A/C>	534,615	1.63%
8*	Amal Trustees Pty Ltd <Magnolia Capital Ecmc A/C>	512,821	1.56%
8*	Dyamond Trading and Consulting Pty Ltd <Dyamond Family A/C>	512,821	1.56%
9	Mr Geoffrey Todd	500,000	1.52%
10	Scintilla Strategic Investments Limited	463,333	1.41%
11*	Phillip Asset Management Limited <61 Aust Emerging A/C>	333,333	1.02%
11*	Mr Pragasa Moorthi Krishnasamy	333,333	1.02%
12	Barradevil Pty Ltd <Aaco Super Fund 1 A/C>	328,808	1.00%
13	Rimoyne Pty Ltd	312,821	0.95%
14	Mr Gregory John Miller	290,000	0.88%
15	Mr Danny Allen Pavlovich <Pavlovich Family Spec 2 A/C>	256,410	0.78%
16*	Mr Nathan James Smith & Mrs Kelly Anne Smith <Nkes Family A/C>	250,000	0.76%
16*	Miss Chung Man Lau	250,000	0.76%
17	Mr Rhett Connolly	230,291	0.70%
18	Mr Allan Keith Clarke	216,667	0.66%
19	Mulloway Pty Ltd <John Hartley Poynton Fam A/C>	166,667	0.51%
20	Mr Thomas James Boorman & Mrs Peta Ellen Boorman <Pandt Superfund A/C>	150,000	0.46%
	Total	94,595,599	58.40%

Note: * indicates Option holders are ranked equally in terms of the number of WFLOA listed options held.

(D) UNQUOTED SECURITIES – UNLISTED OPTIONS AT $0.10 EACH, EXPIRY 19 AUGUST 2023

The number of Unlisted options listed on the company's register:

Name of Unlisted Option holder	No. of Unlisted Options Held	Percentage of Unlisted Options %
Vale Capital Pty Ltd <Vale Account>	4,950,000	80.49%
Via Pastura Limited	1,200,000	19.51%
Total	6,150,000	100.00%

NUMBER OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES AND VOTING RIGHTS

There are 2 holders of Unlisted options.

Holders of Unlisted 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.

(E) OTHER DETAILS

COMPANY SECRETARY

The name of the Company Secretary is Blagojce (Bill) Pavlovski.

ADDRESS AND TELEPHONE DETAILS OF THE COMPANY'S REGISTERED AND ADMINISTRATIVE OFFICE:

C/- Pitcher Partners
Level 11,
12 The Esplanade
PERTH WA 6000
Telephone: +61 8 9322 2022

ADDRESS OF THE OFFICE AT WHICH A REGISTER OF SECURITIES IS KEPT:

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000

SECURITIES EXCHANGE ON WHICH THE COMPANY'S SECURITIES ARE QUOTED:

The Company's listed equity securities are quoted on the Australian Securities Exchange (ASX: WFL).

REVIEW OF OPERATIONS

A review of operations is contained in the Administrators' Report.

CONSISTENCY WITH BUSINESS OBJECTIVES

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.