

31 July 2018

Quarterly Report for the Period Ended 30 June 2018

Highlights

- Cash receipts of \$255,000 received during the period.
- Receipts predominantly comprised of royalties from sales of Olay MagneMask in China.
- Two new work plans executed with Procter & Gamble (P&G) for its skincare business, making four new products in development by OBJ for P&G.
- First product in development using OBJ's second technology.
- Tony Varano appointed as Non-Executive Chairman.
- Placement of 4,000,000 OBJ shares to Mr Varano.
- Cameron Reynolds appointed as Non-Executive Director.

Financials

OBJ Limited banked cash receipts of \$255,000 during the June quarter. The cash receipts were largely derived from royalties associated with sales of the Olay MagneMask Kit in China, as well as an increasing volume from the USA. The cash receipts were consistent with expectations when factoring in seasonal variation, that being Q2 wholesale sales are typically higher than those in Q3.

The Company's cash balance at the end of the period was approximately \$4.17m.

Product Development

OBJ executed two new Work Plans with Procter & Gamble (P&G), setting out the development requirements for two new products based on OBJ's technologies. These new products are scheduled for release in 2019 through P&G's online and retail distribution channels in China and North America.

The new products were proposed by OBJ to expand the capabilities of P&G's skincare device range. This increases the number of new products being developed by OBJ for P&G's skincare business to four, with a fifth expected to be added in coming months.

Under the new Work Plans OBJ will design, develop and manufacture working prototypes of the two new products, ahead of consumer and market testing to be conducted in the coming months.

One of the new products will be the first to use OBJ's second technology, which was licensed to P&G in an agreement announced to shareholders in March 2018.

Directors

Mr Antonio Varano
Mr Steven Schapera
Mr Jeffrey Edwards
Mr Cameron Reynolds
Dr Chris Quirk

Company Secretary

Mr John Palermo

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ABN: 72 056 482 636

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CorporateBoard appointments

Antonio (Tony) Varano joined the OBJ board in May as a Non-Executive Director, before being elected as Non-Executive Chairman of the Company effective 1 July 2018.

Mr Varano has more than 30 years' experience across Australia, Europe and the USA, operating and managing successful entrepreneurial, corporate and investment pursuits. This experience has covered start up, funding and growth, corporate operations, executive management and business exits. His expertise spans retail, cosmetics, skincare, real estate, agriculture, publishing, construction, entertainment and the arts.

Upon completing due diligence on OBJ, Mr Varano agreed to invest in the Company as part of his appointment, demonstrating his confidence in OBJ's potential and future success. A placement of 4,000,000 shares in OBJ was made to Mr Varano at \$0.025, being the prevailing share price at the time of his appointment.

On Mr Varano's appointment as Chairman, Steven Schapera relinquished the role he had held in an interim capacity.

During the period, OBJ also appointed experienced biotech executive Cameron Reynolds as a Non-Executive Director, effective 1 July 2018.

Mr Reynolds is the President, Chief Executive Officer (CEO) and Director of VolitionRX, a biotech company which listed on the New York Stock Exchange (NYSE) in February 2015 after being founded by Mr Reynolds in 2010. He has extensive experience in the management, structuring, and strategic planning of start-up companies and has held positions including CEO, Chief Financial Officer and Non-Executive Director of public and private enterprises.

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ABOUT OBJ

OBJ develops proprietary magnetic microarray drug delivery and product enhancement technologies for the pharmaceutical, healthcare and consumer goods sectors. OBJ partners companies in the design and development of next generation products using physical science rather than chemistry to provide new levels of product performance without the cost of reformulation or new ingredient approvals.

OBJ offers a portfolio of proprietary technologies and supports partners by providing IP-protected market exclusivity, expertise in magnetic array design, feasibility and efficacy and claims testing, engineering and production.

ABOUT OBJ'S TECHNOLOGIES

OBJ has developed a number of physical enhancement technologies based on the interactions between ingredient molecules and weak atomic forces. These influence the movement and penetration through the skin of drugs, active ingredients and formulations at the molecular level.

Complex 3-D magnetic fields produced by low cost microarrays or powered electromagnetic inductors have the ability to repulse certain molecules to enhance diffusion and to alter the permeability of biological and non-biological targets.

OBJ's low cost microarray film technology that utilises diamagnetic repulsion, induced permeation and energy redirection has already reached international markets to provide OBJ's Partners with a new way of managing the speed, depth of penetration and delivery of active ingredients in a wide range of pharmaceutical, healthcare and consumer products.

FORWARD-LOOKING STATEMENTS

This announcement contains certain "forward-looking statements" concerning OBJ. Where OBJ expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

Forward-looking statements provided in this announcement are based on assumptions and contingencies which are subject to change without notice. Such forward-looking statements including statements regarding intentions, planned events and potential results are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements, and there are risks associated with OBJ and the industry which may affect the accuracy of the forward-looking statements. OBJ does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this announcement or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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