

18 December 2018

P&G SIGNS LICENSING TERM SHEET FOR FIRST INTEGRATED PRODUCT

OBJ Limited (ASX: OBJ) has executed a Licensing Term Sheet with Procter & Gamble (P&G) for the first fully integrated package product using OBJ technology. The product delivers skincare product with precise placement and then drives the active ingredient more effectively into the deeper layers of the skin for enhanced performance.

The breakthrough product is the first to integrate OBJ's magnetic microarray technology with a pre-filled, airless pump pack to create a conveniently sized product.

It is anticipated that this innovation will initially serve P&G's SK-II skincare business.

Importantly, the integrated product ensures that OBJ will derive an increased royalty benefit from repeat purchases. This contrasts with previously licensed technologies in which the chemistry and the enhanced skin penetration technology were provided separately.

While the royalty rates and payment terms for the new product will remain confidential, OBJ has negotiated favourable terms including payment in advance rather than in arrears, with an adjustment mechanism for over or under prepayment. In addition, royalties will now be recorded upon shipment of the product by the manufacturer.

While this is the first such integrated product to come to the market, the Company is currently developing additional products using the same integrated format.

The product is expected to be launched in the second quarter of 2019 and will initially target SK-II's growing online business.

"The upcoming launch of our first integrated product is an important milestone in terms of delivering a greater return on our technology development," said Mr Jeffrey Edwards, OBJ's Managing Director and Chief Technical Officer.

"It has also been a priority of the Board to reset the way our licensing term sheets with P&G are negotiated, and to this end, we are very satisfied with the outcome we have achieved for this product."

The new Licensing Term Sheet covers all territories worldwide and marks the fifth product licensed by OBJ to P&G under the Master License Agreement between the companies.

ABOUT OBJ

OBJ develops proprietary magnetic microarray drug delivery and product enhancement technologies for the pharmaceutical, healthcare and consumer goods sectors. OBJ partners with other 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 its partners by providing IP-protected market exclusivity, expertise in magnetic array design, feasibility and efficacy and claims testing, engineering and production.

Directors

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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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