

31 January 2019

## QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

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### Highlights

- **Procter & Gamble signs Licensing Term Sheet for first integrated product;**
- **New OBJ Technology showcased at world's largest tech and innovation expo, CES.**

### Product developments with P&G

During the quarter, OBJ executed a Licensing Term Sheet with Procter & Gamble (P&G) for the first fully integrated package product using OBJ technology. The next-generation 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 innovation is expected to initially serve P&G's SK-II skincare business. The product is the first to integrate OBJ's magnetic microarray technology with a pre-filled, airless pump pack to create a conveniently sized product.

The product is expected to be launched in the second quarter of 2019 and will initially target SK-II's growing online business. The launch of a fully integrated product will be a key milestone for OBJ in terms of delivering a greater return on the Company's technology development.

As the product is integrated, this ensures OBJ will derive an increased royalty benefit from repeat purchases. The royalty rates and payment terms for the new product will remain confidential however OBJ has negotiated favorable terms including payment in advance rather than in arrears, with an adjustment mechanism for over or under payment.

The new Licensing Term Sheet covers all territories worldwide and marks the fifth product licensed by OBJ to P&G under the Master Licence Agreement between the companies. OBJ is currently developing additional products using the same integrated format to release to market.

Subsequent to the end of the quarter, OBJ announced that its Personalisation technology, developed in conjunction with P&G as part of the second technology platform, was showcased at the 2019 International Consumer Electronics Show (CES) in Las Vegas, USA.

OBJ's In-Field Programmable Array Technology was licensed to P&G in early 2018. Developed in conjunction with the Olay brand, the system combines smartphone skin analysis software and new wand tracking technology to determine the optimum skincare treatment for an individual. The system instructs an applicator to deliver highly personalised skincare treatments to the precise needs of individual users. The Olay Wand and smartphone interface were developed as part of OBJ's technology partnership with the world's largest consumer products company.

CES was held on 9-12 January 2019 and is the world's largest consumer electronics trade show. In 2018, almost 200,000 industry and media professionals attended, generating 71.7 billion media impressions worldwide.

### 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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### **Bodyguard**

During the quarter, OBJ's Bodyguard team embarked on the systematic audit of potential vendors across the US and UK for the manufacture of the Kneeguard product, which included site visits to meet the prospective manufacturing partners. Criteria of agreeable quality standards, delivery schedules and cost of goods targets were used.

As a result of this process, a preferred vendor has been identified and negotiations commenced with a view to appointing the vendor as Bodyguard's contract manufacturer. This will allow the Company to produce finished goods at a cost satisfactory to distribution partners.

A detailed business plan was also developed during the quarter for the commercial roll out of the Kneeguard product. One of the strategic imperatives identified was regulatory approval. The Company has appointed legal experts in key markets to assist with the approval process for Kneeguard.

## **ABOUT OBJ**

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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.

## **ABOUT OBJ'S TECHNOLOGIES**

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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.

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## **FORWARD-LOOKING STATEMENTS**

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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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