

Quarterly Report for the Period Ended 30 June 2019

Highlights

- **Leading beauty technology executive Paul Peros appointed CEO of new device business**
- **Landmark collaboration with Little Green Pharma to commercialise transdermal cannabis technologies**
- **Parafix appointed as manufacturing partner for OBJ's Kneeguard patch**

Financials

OBJ Limited banked cash receipts from customers of \$503,136 during the quarter.

The Company's cash balance at the end of the period was approximately \$2.25m.

Operational highlights

During June, OBJ executed a Service Agreement with renowned beauty technology executive Paul Peros, to lead a new beauty technology division for OBJ. The division will commercialise a range of products and solutions developed by OBJ, separate to those created under existing product development and license agreements. This will enable OBJ to pursue its own brand and retain full control over the deployment of its technology. In addition, it allows OBJ to capture a much higher proportion of any associated revenues. OBJ is looking to establish a subsidiary in Switzerland, where Mr Peros resides.

Mr Peros will be appointed Chief Executive Officer (CEO) of any new subsidiaries associated with the new device business and will be responsible for developing and leading this company branded business worldwide. Mr Peros will focus on commercialising OBJ's innovations with a multichannel strategy that targets a range of consumers worldwide.

Mr Peros recently ended a five-year tenure as CEO of leading Swedish beauty technology brand FOREO, where he led the company from its beginnings in 2013 to delivering US\$1b in revenues in 2018. FOREO now boasts over 3,000 employees and has delivered more than 20 million units into 50 markets with operations in Asia, Europe and the Americas.

Mr Peros will report directly to the Board on matters associated with the new OBJ device business. The terms of the Service Agreement will continue unless terminated by either OBJ or Mr Peros under the relevant terms.

Also in June, OBJ signed a key funding and option agreement with Little Green Pharma Ltd ("LGP"), the only Australian producer and supplier of GMP quality medicinal cannabis products, to explore the adaption of OBJ's transdermal technology for the delivery of cannabinoid therapy. LGP cultivates locally grown medicinal cannabis from a secure facility in Western Australia.

Under the agreement, OBJ and LGP will collaborate on the project along with research and development experts at Curtin University. The agreement also includes proposed joint funding

Directors

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of the R&D activities as well as establishing a formal 50:50 joint venture for the ownership and commercialisation of cannabis and transdermal technologies in the event of successful trials.

Both companies believe there is an excellent opportunity to create cannabis patch technologies given the growing momentum in medicinal cannabis as a therapeutic in Australia, but more significantly in North America and Europe.

During the quarter, OBJ progressed its Bodyguard program with the Board approving an updated Business Plan and subsequent appointment of Parafix Tapes and Conversions Ltd (“Parafix”) as the chosen manufacturing partner for the Company’s Kneeguard patch. Pre-production of commercial prototypes and materials validation has since commenced.

The Business Plan has a defined objective to commercialise OBJ’s patch technology under OBJ’s own brand and outlines a number of strategic imperatives and expectations, with best-in-class manufacture a key short-term milestone.

Parafix is a leading converter of adhesive products and medical devices, across a diverse range of industries, and a preferred converter for healthcare conglomerate 3M. Headquartered in the United Kingdom, the company also has satellite facilities in Eastern Europe. Parafix’s facilities are ISO 13485 compliant and FDA registered with capabilities extending to adhesive tapes, films, device assembly and in-line printing and packaging.

Parafix has particular expertise across materials, production economics and quality assurance and will assist OBJ’s push towards a targeted commercial launch of the Kneeguard product in Q2 2020 (subject to regulatory approvals).

During the period, OBJ continued its negotiations with P&G with regard to the product development agreement between the companies. Further information will be announced as soon as developments are finalised and signed by both parties.

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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.

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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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