



to be renamed

**WELLFULLY** LIMITED

Creating a fully integrated, science-based wellness company

November 2019

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# Live **WELLFULLY**

To see a world where technology is so precise and effective, it works naturally with your body and the world around you, helping you thrive to your fullest potential.

## The Opportunity



# Wellfully Investment Highlights

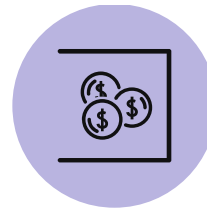
Global leadership through a series of selected verticals



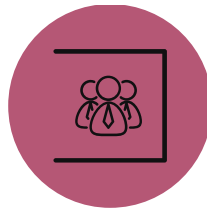
OBJ is a best-in-class R&D medical tech company with over 20 patents and significant avenues for further health and beauty tech space commercialization



Nutrition Systems is a robust and highly profitable Nutrition and Supplement distribution platform with multiple opportunities for growth



Investment of A\$50m



World class management team and advisory board with proven track record of building global brands in the nutritional health, beauty and skincare



Wellfully is positioned to leverage existing business to become global leader in the wellness sector across multiple verticals

## Transaction Context

An important step towards an integrated science-based wellness company

- OBJ has agreed to acquire the Nutrition Systems Group (NS) for A\$85m; it intends to utilise NS' robust wholesale and retail distribution platform to commercialise OBJ's in-house developed products across Australia/New Zealand and beyond, as well as grow the existing business and margins, through geographical expansion and manufacturing.
- The combined business will harness OBJ's patented technology to create and distribute products across the entire wellness vertical.
- Subject to satisfaction of conditions, the acquisition is proposed to be funded through a combination of cash payment and equity.



Global leader in transdermal drug delivery systems

+



Multinational license distribution company for nutritional products in Australia and New Zealand

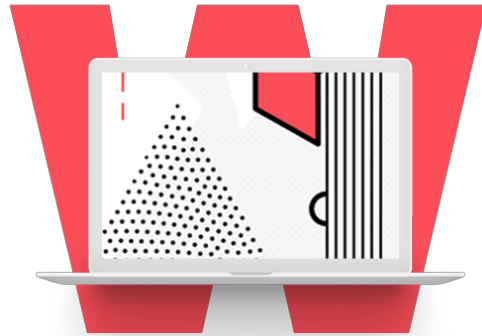
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Combined science and distribution platform for development of new products across the wellness sector

**Combining a globally-recognised innovation technology company in the personal care vertical with a robust nutrition distribution platform to create an integrated science-based wellness company**

## Overview



# OBJ Today

Proven leadership in transdermal drug delivery systems

## Business Segments



**Licensing of Technologies** Technology focused on transdermal drug delivery, achieving product performance enhancement through physical rather than chemical means.



**Product Innovation and Development** Application of OBJ patented technologies into in-house developed products servicing across the wellness sector.

## By the Numbers

- **15+ years** of experience in developing innovative products in magnetic-enhanced transdermal drug delivery systems.
- **5 scientists** operating under OBJ's state-of-the-art laboratory facility.
- **20+ patents** covering OBJ's powered technologies.
- **5 products** licensed to Procter & Gamble (P&G) under a Master License Agreement.

**Global leader in transdermal drug delivery systems with well-invested technology platform poised to scale growth and commercialisation of in-house developed products**

# OBJ's Technologies

Steady-developing, rich portfolio of delivery solutions



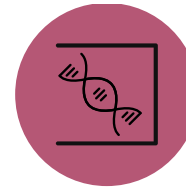
Magnetic  
microarray



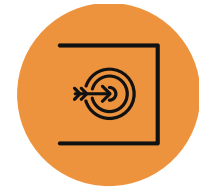
In-field  
programmable  
array



Transdermal  
drug delivery



Personalisation



Ultrasonic  
Magneto Wetting

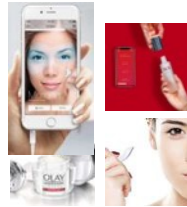
- Over 100 years combined expertise in the pharmaceutical and FMCG sectors.
- Market leader in integrating physical science into microarray film technology that utilises multiple methodologies to control and redirect the ingredient delivery.
- Patented physical enhancement technologies based on proprietary magnetic microarray provides a low cost, powerful and chemistry-free method of enhancing product performance.
- Wide range of adaptable formats such as drug patches, strips and masks, as well as applicators and devices across pharmaceutical, beauty tech and consumer products.
- Continuous validation of technology by commercial partners, academia and leading Contract Research Organisations in AUS, USA, UK and EU; as also independently tested and evaluated.
- Currently exploring new systems for ingredient delivery without heavy emulsion bases in response to the growing trend toward minimal and “free-from” formulations.



# New Product Under Development

Turning OBJ's technologies into exciting consumer products

## Personalisation Technology with P&G



- To date, OBJ's technology has been used by P&G under their SK-II and Olay brands, and more than 1.6 million devices have been sold.
- The next phase of development optimises skincare treatment for an individual by integrating the device with an app on their smartphones that also incorporates wand tracking technology. This changes the delivery characteristics by location (e.g. eyes) and ambient environment (humidity, UV- index, time).

## Bodyguard Patches



- World first musculoskeletal osteoarthritis patch that delivers therapeutic ingredients through the skin, directly to the site of injury without drug or adverse side effects.
- Agreement in place with a best-in-class UK manufacturer.
- Four successful clinical trials completed 2018.
- Will launch in UK and Australia under the LUBRICEN® brand in 2020.

## Precision Beauty Technology



- Engaged Paul Peros, former CEO of FOREO, to lead this division; HQ in Switzerland (1 July 2019) with operations in Dongguan, China and satellite sales and marketing in Croatia and UK.
- Use of OBJ's patented microarray technology and cold-fog misting technology to increase the penetration of actives into skin, scalp and hair.
- Also has surface hygiene applications – university studies show 300% increase in the kill rate of Golden Staph bacteria.



**NUTRITION**  
SYSTEMS

## Overview

WELLFULLY



## Nutrition Systems Today

Leading distributor of sport supplements and nutritional products in Australia, founded and owned by elite athlete Danny Pavlovich

Nutrition Systems has been importing the highest quality and top-selling sport supplements and nutritional brands from the USA for over 20 years

Nutrition Systems represents the world's leading branded products with long standing exclusive relationships

Trusted channel with authentic positioning and strong sponsorship support

### Distribution locations in Australasia



### Selected leading product brands



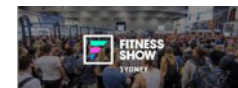
### Selected sponsorships



Sponsor of basketball team Wildcats













Sponsor of rugby team Hurricane



Sponsor of fitness shows in Melbourne and Sydney

## Brands Portfolio

Multi-year relationships with the leading product brands

#	Company Name	Company Description	Years of Relationship
1	Cellucor 	Global sports nutrition brand	10 years
2	BPI Sports 	Leading developer and marketer of sports nutrition supplements	10 years
3	Gaspari 	Leading developer and marketer of sports nutrition supplements	10 years
4	Pharmafreak 	Leading protein bar brand in USA	7 years
5	Quest Nutrition 	Global nutrition supplement company listed in USA	6 years
6	MusclePharm 	Global nutrition supplement company listed in USA	6 years
7	ProSupps 	Sports nutrition supplements manufacturer and marketer	6 years
8	Lenny & Larry's 	Major healthy snacks brand in USA	3 years
9	Ghost 	Sports nutrition supplements, apparel and gear providers	2 years
10	Staunch 	Sports nutrition and fitness gear provider	2 years

## Robust Distribution Platform

Nutrition Systems has developed a robust distribution network across multiple channels supported by well-invested infrastructure

Comprehensive coverage of distribution partners

Specialty



Grocery



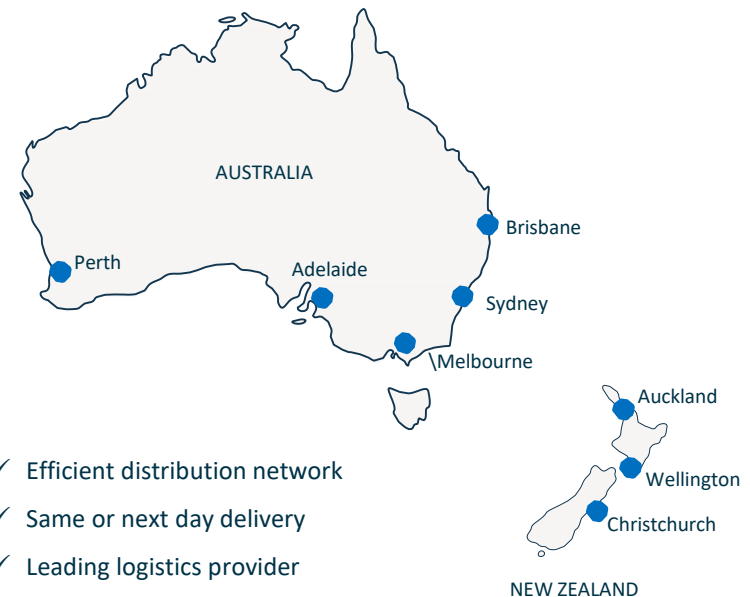
Convenience



Pharmacy



Over 9,000 m<sup>2</sup> of distribution facilities across AUS/NZ



- ✓ Efficient distribution network
- ✓ Same or next day delivery
- ✓ Leading logistics provider



# WELLFULLY



an integrated science-based wellness company



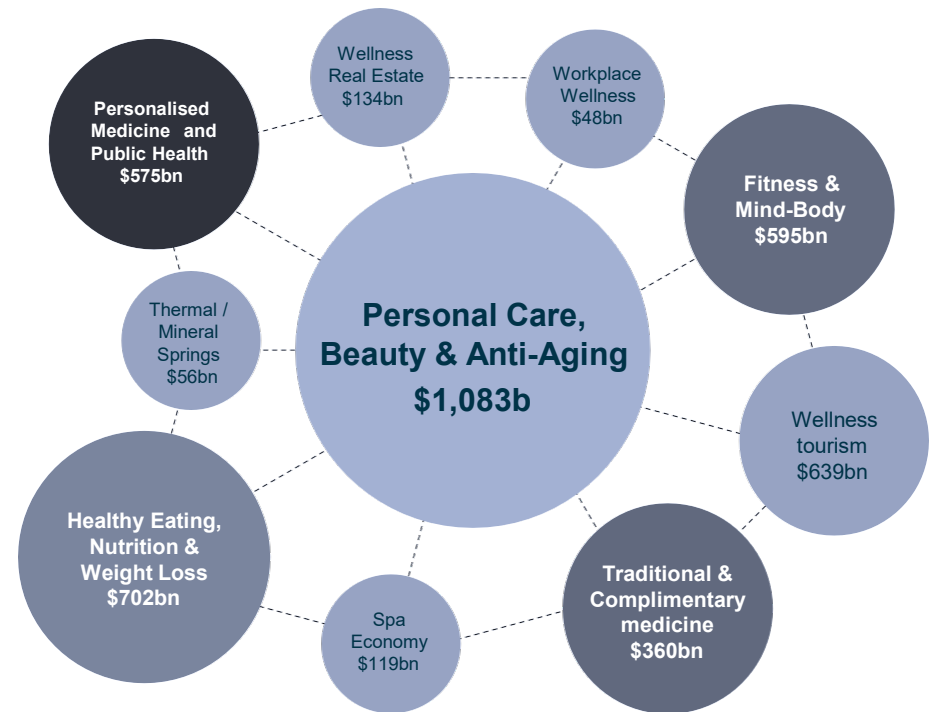
## Wellness Industry at a Glance

A wide array of opportunities in a large high-growth industry

The global wellness industry has been enjoying a high growth trajectory.

The total market grew by 12.8%, from a \$3.7 trillion market in 2015 to \$4.2 trillion in 2017<sup>1</sup>.

This represents a massive market opportunity for Wellfully to develop and distribute innovative products for various target wellness sectors, such as Personal Care, Care and Anti-Aging, Personalised Medicine, Nutrition and Weight Loss etc.



Note: 1. 2018 Global Wellness Economy Monitor, Global Wellness Institute. Dollar in USD. Colored bubbles represent relevant sectors.

## From OBJ to WELLFULLY

What OBJ is today ... and what OBJ will become



- Medical Device technology, licensor and developer.
- Leader in Magnetic Enhanced Delivery Systems.
- Publicly listed in ASX (market cap A\$27m)\*
- Skilled Board with substantial International brand-building experience.

\* share price as at 7 November 2019

## WELLFULLY

- Global leader in wellness – a fully integrated, science-based company focusing on holistic view of wellness.
- International business with wide distribution network for in- house developed products.
- Science-based innovation and R&D as the building blocks.
- Strong capability to leverage own technologies to develop new products across the wellness sector.
- Proven understanding of the category and the consumer.
- Build autonomous subsidiaries and leverage the synergies.

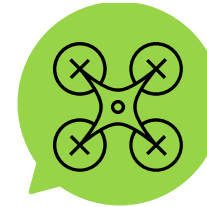


## The Four Pillars

Clear perimeters and focus

### Innovation R&D

Jeffrey Edwards



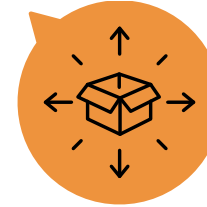
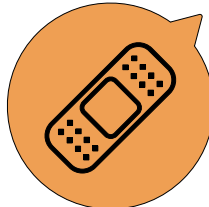
### Devices

Paul Peros

# WELLFULLY

### Bodyguard

George Tsadilas



### Nutrition

Danny Pavlovich

# Growth Initiative and Synergy

Clear perimeters and focus

Business Lines	Growth Initiatives	Challenges as a Standalone Company	OBJ and NS Synergies
<b>Innovation &amp; Distribution of Products</b>	<ul style="list-style-type: none"> <li>Commercial roll-out of Bodyguard</li> <li>Commercial roll-out of Beauty Tech devices</li> <li>Continue development of Surface Hygiene</li> </ul>	<ul style="list-style-type: none"> <li>Cost and time to establish distribution</li> <li>Manpower and systems requirements for regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>NS distribution channels can accommodate far broader product ranges, including Bodyguard</li> <li>Vitamin Mineral Supplements (VMS) is now a Beauty Tech category so synergies abound for both entities</li> <li>NS regulatory group will accelerate Hygiene market entry</li> </ul>
<b>Licensing of Technology</b>	<ul style="list-style-type: none"> <li>Microarray technology licensed to P&amp;G for skin care</li> <li>Dermaportation &amp; Personalisation licensed to P&amp;G for skin care</li> <li>Other relationships under ongoing development</li> </ul>	<ul style="list-style-type: none"> <li>Market scope limited by Licensee business categories</li> <li>Critical back-end costly to develop and maintain</li> <li>Market reach and partner access</li> </ul>	<ul style="list-style-type: none"> <li>Transdermal provides a huge growth potential for NS business</li> <li>Back-end solutions can accommodate both company's needs</li> <li>The combined reach and access of both entities will enhance commercial successful of both groups</li> </ul>
<b>Nutrition Systems</b>	<ul style="list-style-type: none"> <li>Develop own label nutritional products</li> <li>Expand product categories</li> <li>Expand geographical footprint</li> </ul>	<ul style="list-style-type: none"> <li>QA/QC demands</li> <li>Highly competitive market requires breakthrough innovation's</li> <li>NS has geographical footprint in NZ and USA</li> </ul>	<ul style="list-style-type: none"> <li>Licensing Group has extensive laboratory resources and still that will allow NS to fast track own label products</li> <li>Ability to avoid first pass metabolism provides wide range of new, unique and patented products solutions</li> <li>Both groups can benefit from the geographical reach of the other</li> <li>Manufacture of products under licence reducing freight cost and foreign exchange impact</li> </ul>

# The WELLFULLY Team



**Antonio Varano**  
**Non-Executive Chairman, OBJ**

- Ex-chairman of BECCA cosmetics sold to Estee Lauder for A\$300m.
- >30 years experience across Australasia, Europe and the USA.
- Invested in several early stage start-ups which have gone on to command dominant market positions.
- Industry experience in retail, cosmetics, skincare, entertainment, real estate and agriculture.



**Jeffrey Edwards**  
**Exec. Director / CEO Innovation R&D, OBJ**

- Founder of OBJ and creator of over 40 patents.
- >25 years experience in managing new technological innovations.
- High-level technical expertise in production, IP and clinical validation.
- An award-winning technology developer with experience working with global biomedical companies.



**Steven Schapera**  
**Non-Executive Director, OBJ**

- Founder / Former CEO of BECCA Cosmetics, a leading cosmetics brand in Europe, Asia and USA, eventually sold to Estee Lauder for A\$300m.
- Also serves on Board of Invincible Brands GmbH, Europe's most successful influencer-marketing business, and UK-based Wild Nutrition Limited.
- Chairman of ASX-listed Crowd Media Ltd.
- 38 years of commercialisation experience across 5 continents.



**Cameron Reynolds**  
**Non-Executive Director, OBJ**

- President, CEO and Founder of VolitionRX, a biotech company, which listed on NYSE in 2015 and has a current market cap of \$151m.
- Extensive experience in strategic planning and management for start-up ventures and has held CEO and CFO positions for various private enterprises.



**John Palermo, FCA, AGIA**  
**Company Secretary, OBJ**

- Chartered Accountant with over 20 years experience in Public Practice.
- Director of Chartered Accountants Australia and New Zealand.
- Expertise in corporate advisory, strategic management and business structuring.



**Danny Pavlovich**  
**Founder and CEO, Nutrition Systems**

- Former elite athlete.
- Grew Nutrition Systems from infancy to a multi-national distribution company with over 9,000m<sup>2</sup> of distribution capacity.
- First person to import US Sports Supplements into Australia for distribution.
- Industry Leader in Australia and New Zealand.



**Paul Peros**  
**CEO, Devices, OBJ**

- Former CEO of Foreo, a Swedish company specialising in beauty and well-being solutions with presence in 35 countries.
- Lead the company from start-up in 2013 to a US\$1B revenue company by 2018.
- Extensive management consulting experience across Europe with Milan-based GEA and established their China offices in 2009.

## **Financials and Transaction Summary**

# Pro Forma Summary Financials

## The Nutrition Systems Group

Period Ending 30 June (A\$'000)	2017A	2018A	2019E	2020E
Revenue	59,613	56,907	55,795	58,122
Gross Profit	17,191	17,677	15,880	16,480
% Margin	29%	31%	28%	28%
SG&A	7,242	8,045	9,875	9,536
% Revenue	12%	14%	18%	16%
EBITDA	10,401	9,802	5,980	6,755
Add Back				
Depreciation	166	210	345	189
Rent (Sydney)	480	713	602	602
Net Income/(Loss) after add backs	11,047	10,725	6,927	7,546

### Commentary

- Majority of the revenue growth will be coming from sales revenue driven by increased sales efforts of Nutrition Systems' products and organic growth does not include expected increase from manufacturing or other initiatives.
- SG&A expenses include additional spend on retail operations.
- The financial information above excludes inter-company sales and dividends.

# Transaction Summary

## Nutrition Systems

Transaction Summary	A\$m
Purchase Price	85
Less: NSW Warehouse and Distribution Facility	12
Less: Stock at cost and Net Accounts Receivable (approx.)	23
Goodwill	\$50m

Payment Structure	A\$m
Initial settlement	40
Cash payment 12 months from settlement	5
Cash payment 24 months from settlement	5
Equity 12 months from settlement	10
Equity 24 months from settlement	10
Equity 36 months from settlement	15*
Total Payment	\$85m

### Commentary

- Total purchase price of Nutrition System of \$85m
- \$40m will be settled up front by cash, with the remaining \$45m to be paid by cash and equity at predetermined periods – deferred cash payments supported by Nutrition Systems ongoing cashflow
- The Company will undertake a capital raising from institutional investors, debt funders and also undertake a Share Purchase Plan or Priority Issue to existing shareholders as part of the transaction.

\* There may be a discount applicable to the final equity payment, based on performance.

# Indicative Timetable

## Nutrition Systems

Event	Date
Send Notice of General Meeting seeking approval for issue of Shares as consideration for the Acquisition and the Capital Raising	3 December 2019
OBJ shareholder meeting	8 January 2020
Satisfaction (or waiver) of other conditions precedent	17 January 2020
Settlement of Acquisition	24 January 2020
Completion of re-compliance with Chapters 1 and 2	7 February 2020

The above timetable is indicative only and subject to change.



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