

31 January 2020

## Quarterly Report for the Period Ended 31 December 2019

---

### Financials

OBJ Limited banked cash receipts of \$521,028 during the quarter along with the R&D tax incentive refund of \$776,675.

The Company's cash balance at the end of the period was approximately \$1.31m.

### Operational highlights

During November, OBJ entered into a share sale agreement to acquire 100% of the issued share capital of Export Corporation (Australia) Pty Ltd, the owner and operator of Nutrition Systems. Nutrition Systems is a highly profitable distributor and wholesaler of nutritional wellness products in Australia and New Zealand, with a focus on high quality sports nutrition products from the USA.

The acquisition will strengthen the growth of OBJ by positioning it closer to both its target markets and the end consumer through Nutrition Systems extensive distribution network of specialty stores, major pharmacy and grocery chains throughout Australia and New Zealand. It will also allow the Nutrition Systems business to access OBJ's technology platforms and manufacturing expertise.

The consideration for the acquisition is \$85 million, with \$50m to be satisfied in cash and \$35m in equity.

In conjunction with the transaction, it is proposed that OBJ completes a 20-to-1 consolidation of its securities, and upon settlement, change the Company's name to Wellfully Limited.

Full details of the acquisition can be found in the Notice of Meeting lodged with the ASX on 17 January 2020, and the announcement of the transaction dated 7 November 2019.

Later in the quarter, OBJ and Procter & Gamble (P&G) executed two new Licensing Agreements. These agreements were designed to harmonise and unify several separate agreements already in existence between the two companies and to improve the practical aspects of their operation.

Highlights for OBJ included:

- Improved royalty rates;
- Revised payment schedules, and exclusivities & distribution routes for existing OBJ products & technologies;
- More clearly defined exclusivity provisions; and
- The release back to OBJ of all beauty sub-categories other than skincare.

### Directors

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

### Company Secretary

Mr John Palermo

### Registered

#### Office:

284 Oxford Street  
Leederville  
Western Australia 6007  
Tel: +61 8 9443 3011  
www.obj.com.au  
ABN: 72 056 482 636

31 January 2020

The new Agreements also provide a clearer definition of OBJ's freedom to operate across various beauty and grooming sub-categories. Under the Agreements, Addenda and Amendments, P&G will hold a worldwide exclusive license for certain existing OBJ technology platforms, enabling research, development and commercialisation of products within defined fields of use. The OBJ technology platforms covered by the license are Permanent Magnetic Technology, Electromagnetic Technology, Pre-programmed Electromagnetic Technology, and Programmable Electromagnetic Technologies.

Royalties will be payable under the terms of the new agreement on all licensed products manufactured on or after 30 September 2019.

During the quarter, OBJ also reported that the Australian Patent Office had issued a Notice of Acceptance for Bodyguard Patent No. 2015274237, covering the range of Bodyguard products. The granting of this patent was significant as it protects a number of key intellectual property assets of the Company and is the first patent to be accepted in a growth sector of consumer healthcare and wellness. The Company awaits responses to the same patent applications as filed in USA, Europe, China and Hong Kong.

The newly founded consumer division launched REDUIT, a luxury beauty brand at the beginning of the second quarter. Through December, product development and CES launch preparation activities for its first product, the REDUIT One, a novel haircare treatment system, were successfully completed by the organisation.

The Company held its Annual General Meeting during the quarter, where all resolutions put to the members were passed on a show of hands.

**Directors**

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

**Company Secretary**

Mr John Palermo

**Registered****Office:**

284 Oxford Street  
Leederville  
Western Australia 6007  
Tel: +61 8 9443 3011  
www.obj.com.au  
ABN: 72 056 482 636

---

## 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.

31 January 2020

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.

### Directors

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

### Company Secretary

Mr John Palermo

### Registered

Office:  
284 Oxford Street  
Leederville  
Western Australia 6007  
Tel: +61 8 9443 3011  
www.obj.com.au  
ABN: 72 056 482 636

### For more information:

Matthew Wright  
[matt@nwrcommunications.com.au](mailto:matt@nwrcommunications.com.au)  
Phone: +61 451 896 420