

Appendix 4E

Preliminary Final Statements to the Australian Securities Exchange

OBJ Limited and its controlled entities

ABN 72 056 482 636

FINANCIAL YEAR INFORMATION – 1 JULY 2015 TO 30 JUNE 2016

Key Information – Results for Announcement to the Market

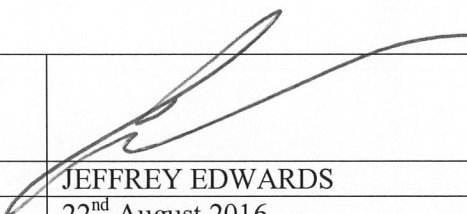
	30 June 2016	30 June 2015	Change	
	\$(‘000)	\$(‘000)	\$(‘000)	
Revenue	1,522	1,515	7	Up 0.5%
Loss for the period after tax	(3,555)	(2,353)	(1,202)	Up 51%
Loss attributable to members of the parent entity	(3,555)	(2,353)	(1,202)	Up 51%

Dividends

No Dividends have been declared or paid during the financial year ended 30 June 2016.

These financial statements are in the process of being audited by RSM Australia Partners and are not subject to dispute or qualification.

	30 June 2016	30 June 2015
Basic loss per share (cents/share)	(0.20)	(0.15)
Diluted loss per share (cents/share)	(0.20)	(0.15)
Net tangible assets per share (cents/share)	0.41	0.22

Signed By (Director)	
Print Name	JEFFREY EDWARDS
Date	22 nd August 2016

OBJ LIMITED ABN 72 056 482 636
Supplementary Appendix 4E information
For the financial year ended 30 June 2016

	Consolidated	
	30 June 2016 \$	30 June 2015 \$
ACCUMULATED LOSSES		
Accumulated losses at the beginning of the financial year	(24,204,453)	(21,850,999)
Loss attributable to the members of the parent entity	(3,555,381)	(2,353,454)
Accumulated losses at the end of the financial year	<u>(27,759,834)</u>	<u>(24,204,453)</u>

- Details of entities over which control has been gained or lost during the period, including the following:

Not applicable.
- Details of individual and total dividends or distributions and dividend or distribution payments.
The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

Not applicable – no dividends have been declared or paid.
- Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Not applicable.
- Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Not applicable.

5. Review of operations for the period:

The 2016 financial year has seen OBJ take strong steps towards sustainable licensing revenues from its first product licenses from partnering activities and the potential of first licensing revenues from OBJ's own internal product development programs.

The confirmation by Procter & Gamble (P&G) to license OBJ technology for incorporation in a number of new and innovative products and confirmation of the adoption of OBJ technology by a second major P&G brand are significant milestones in the quest for sustained licensing income as a result of the recently extended and expanded Product Development Agreement (PDA) with P&G.

The Company's partnering programs and its own internal product developments all made significant progress during the period. The Company expanded the breadth and depth of a number of partnering programs and engaged with new potential multinational partners in a range of new and exciting product categories.

Capital Raising

OBJ successfully raised \$6.25 million (before costs) in an oversubscribed placement of shares with strong support from new institutional and sophisticated investors ("Placement") during the year. The Company also undertook a share purchase plan ("SPP") enabling existing shareholders to participate in the capital raise at the same price as the large institutional and sophisticated investors.

Procter & Gamble

The new PDA with P&G was executed during the year extending the relationship the Company has with the world's largest FMCG product company. This agreement extended the relationship between the companies out to 2021. Replacing the PDA originally executed in 2014, the new PDA has also been expanded to accommodate P&G's evaluation of new and additional OBJ innovations.

The PDA includes the over-arching multi-product and multi-category terms of license agreements that have emerged from development programs undertaken by OBJ while being funded by P&G.

Under the PDA, P&G retains a worldwide exclusive right to commercialise OBJ's non-powered magnetic micro-array technology within specifically defined product categories. This agreement acts as the cornerstone to the relationship between OBJ and P&G and serves to streamline the way in which P&G brands can explore the benefits of OBJ's technologies.

Coty – Philosophy

Coty has continued to undertake various efficacy and consumer trials of OBJ's powered programmable array technology over the year, with Coty's team focusing on optimizing product chemistry for use with OBJ's technology. During the year, OBJ supplied additional devices for the ongoing clinical evaluation and claims support programs.

New Partnering Activities

Throughout the year, a number of new partnering programs were instigated to expand and broaden the Company's Partnering Activities.

Over the year, the Company engaged with and undertook early evaluation of various products and formulations supplied by, a number of potential new partners, including Johnson & Johnson, Beiersdorf, Nestle and L'Oreal.

In addition, a number of meetings have taken place with Pfizer's Wellness and Healthcare, Consumer Healthcare and Pharmaceutical groups to discuss potential product development programs across their product range and with Unilever in regards to a similarly wide range of product opportunities.

5. Review of operations for the period (*continued*):

Internal Product Development Programs

Since inception, the Company has undertaken three internal product development programs.

BodyGuard

BodyGuard is a wearable technology platform designed to deliver high molecular weight ingredients directly to the site of injury, thus avoiding the effects of first pass metabolism that limit the effectiveness of many orally ingested compounds used in the restoration of Joint Junction.

During the period, OBJ achieved a major milestone in a double-blind clinical study conducted by the University of Queensland (UQ) using OBJ's all-natural, drug-free *Lubricen*® formulation. The study demonstrated that BodyGuard exceeded the efficacy of the world's largest selling topical non-steroidal anti-inflammatory drug product (Diclofenac) while providing a safer and more consumer friendly approach to Healthy Joint Aging. The trial showed that KneeGuard, using OBJ's all-natural, drug-free *Lubricen*® formulation, improved physical function in individuals with moderate to severe knee osteoarthritis.



The success of the BodyGuard study has stimulated discussions with a number of potential licensees in both Europe and the USA and will continue as the Company explores the most advantageous pathway for commercialisation of the BodyGuard product range.

The Company is in advanced discussions with two leading FMCG companies regarding the possible licensing of the entire BodyGuard range.

Surface Hygiene

Another internal product development program undertaken during the period is the Surface Hygiene project.

This project involves the design, development and testing of a new magnetic micro-array able to overcome the micro-fluidic flow conditions that limit the ability of antiseptic agents to penetrate the minute crevices in non-porous materials, such as aluminum and stainless steel, that can harbour dangerous bacteria and biofilms.

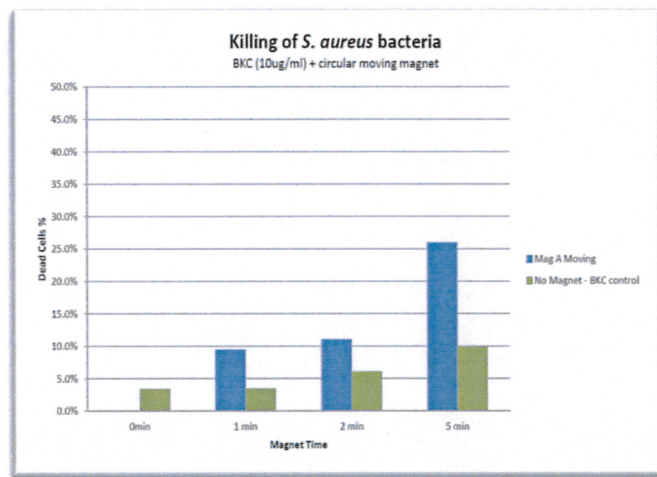


By allowing existing chemistry to reach contaminants more effectively, OBJ's approach allows industry partners to get more effective use of their chemistry without increasing toxicity.

During the period, OBJ commissioned the University of Western Australia (UWA) to conduct replicate studies into the direct effects of exposure to the OBJ micro-array in the treatment of *Staphylococcus aureus*, or Golden Staph, a major source of infection in medical facilities throughout the world. *Staphylococcus aureus* causes a wide range of infections from skin infection to life-threatening diseases including abscesses of various organs, pneumonia, osteomyelitis, endocarditis, arthritis and sepsis. The study by the UWA explored the efficacy of benzalkonium chloride (BKC) with and without the enhanced penetration capabilities of OBJ microarray technology.

This recent study reconfirmed the effectiveness of OBJ's technology following two former tests undertaken in 2015. Further, these new results show a similar bug kill rate for BKC as were previously undertaken.

5. Review of operations for the period (*continued*):



The study reconfirmed that exposure to the micro-array increased the effectiveness of benzalkonium chloride by 2 to 3 times compared to the same disinfectant alone, at all time points.

OBJ is working with an award-winning industrial design company to create a number of innovative product forms to share with potential partners.

Discussions have taken place with four major hygiene companies to date and the Company is hopeful of establishing suitable partnering programs in the near future.

Personalisation

Another internally-developed technology is Personalisation, a progress involving matching the way skin ingredient molecules intersect with the skin of individual users. Human skin can vary, depending on ethnicity, age, location, climate, weather and lifestyle, and these factors will impact on how well products work for individuals. OBJ utilised its power programmable array technology (Dermaportation) to develop a device and programmable system that can ensure that everyone, irrespective of their skin type, can get the best from their product purchase.

Advanced Packaging

The first potential application for incorporating OBJ's technologies (DCE) into existing packaging, thereby enhancing a product's performance, is under discussion with one of OBJ's global FMCG partners. This opportunity has expanded across several applications and device configurations.

Several meetings took place with a major FMCG company on the possible next steps for one of the skin care applications.

By creating an innovative means of higher performance in existing products, OBJ has the potential to access a whole new area of revenue opportunities with its own packaging solutions.

Administration

OBJ has reached agreement on a high-performance related consulting contract with Steve Meller, a US-based expat Australian who has been instrumental in expanding OBJ's relationships with potential partnering companies.

OBJ has upgraded its skin laboratory with the engagement of a Laboratory Manager and a commitment to expand the laboratory space and acquire an additional mass spectrometer. This added capability now allows capacity for a full-time research manager and allows the Company to keep pace with increasing demands from intended partnering companies to conduct research on the skin penetration performance of various active ingredients plus OBJ's own internally-developed products.

The case involving the convertible note from Monarch continues in the Supreme Court and the Company has retained legal counsel as appropriate.

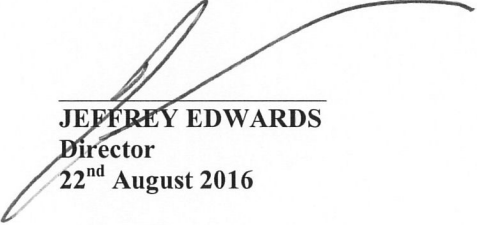
OBJ LIMITED ABN 72 056 482 636
Supplementary Appendix 4E information
For the financial year ended 30 June 2016

6. Attachments forming part of the Appendix 4E:

Attachment I: Financial Statements and Notes thereto of OBJ Limited for the year ended 30 June 2016.

Audit Status

This report is based on accounts to which one of the following applies:			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited	X	The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
N/A			
If the accounts have been audited and are subject to dispute or qualification, a description of the dispute or qualification:			
N/A			



JEFFREY EDWARDS
Director
22nd August 2016

OBJ Limited ABN 72 056 482 636
Statement of Comprehensive Income
for the financial year ended at 30 June 2016

		Consolidated	
	Note	30 June 2016 \$	30 June 2015 \$
Revenue	2	1,521,573	1,514,945
Net foreign exchange (losses)/gains		(5,960)	16,078
Bad debts written off		(61,784)	--
Borrowing costs		(14,008)	(15,340)
Depreciation expenses		(76,309)	(37,470)
Administration fees		(494,584)	(270,166)
Auditor's remuneration		(36,500)	(45,655)
Consultants and consultants benefits expenses		(984,179)	(704,884)
Directors and employees benefits expenses		(2,066,418)	(1,475,209)
Legal costs		(77,452)	(76,082)
Materials and requisites		(39,032)	(74,376)
Occupancy expenses		(131,668)	(116,565)
Patent fees		(125,069)	(128,910)
Product design and trial testing expenses		(325,506)	(431,578)
Travel and accommodation		(146,170)	(145,665)
Other expenses		(492,315)	(362,577)
Loss before income tax		(3,555,381)	(2,353,454)
Income tax expense		--	--
Loss for the period		(3,555,381)	(2,353,454)
Other comprehensive income		--	--
Total comprehensive loss for the period		(3,555,381)	(2,353,454)
Loss attributable to:			
Members of the parent entity		(3,555,381)	(2,353,454)
		Cents	Cents
Basic and diluted losses per share (cents per share)		(0.20)	(0.15)

*The above consolidated statement of comprehensive income
should be read in conjunction with the accompanying notes.*

OBJ Limited ABN 72 056 482 636
Statement of Financial Position
as at 30 June 2016

		Consolidated	
	Note	30 June 2016	30 June 2015
		\$	\$
Current Assets			
Cash and cash equivalents		7,334,205	3,519,337
Trade and other receivables		165,507	417,323
Total Current Assets		7,499,712	3,936,660
Non Current Assets			
Plant and equipment		343,391	189,763
Total Non Current Assets		343,391	189,763
Total Assets		7,843,103	4,126,423
Current Liabilities			
Trade and other payables		284,874	314,424
Borrowings		210,000	196,000
Employee benefits provision		72,458	54,366
Total Current Liabilities		567,332	564,790
Total Liabilities		567,332	564,790
Net Assets		7,275,771	3,561,633
Equity			
Issued capital	4	31,346,219	25,232,558
Reserves	5	3,689,386	2,533,528
Accumulated losses		(27,759,834)	(24,204,453)
Total Equity		7,275,771	3,561,633

*The above consolidated statement of financial position
should be read in conjunction with the accompanying notes.*

OBJ Limited ABN 72056482636
Statement of Changes in Equity
for the financial year ended 30 June 2016

	Ordinary Share Capital	Share Based Payments Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<u>Consolidated</u>				
Balance at 01/07/2014	23,688,809	1,991,374	(21,850,999)	3,829,184
Total comprehensive loss for the period	--	--	(2,353,454)	(2,353,454)
Performance rights issued during the year	--	542,154	--	542,154
Shares issued during the year	1,543,749	--	--	1,543,749
Balance at 30/06/2015	<u>25,232,558</u>	<u>2,533,528</u>	<u>(24,204,453)</u>	<u>3,561,633</u>
Balance at 01/07/2015	25,232,558	2,533,528	(24,204,453)	3,561,633
Total comprehensive loss for the period	--	--	(3,555,381)	(3,555,381)
Performance rights issued during the year	--	923,524	--	923,524
Shares issued during the year	6,787,000	--	--	6,787,000
Options issued during the year	--	232,334	--	232,334
Transaction costs	(673,339)	--	--	(673,339)
Balance at 30/06/2016	<u>31,346,219</u>	<u>3,689,386</u>	<u>(27,759,834)</u>	<u>7,275,771</u>

*The above consolidated statement of changes in equity
should be read in conjunction with the accompanying notes.*

OBJ Limited ABN 72056482636
Statement of Cash Flows
for the financial year ended 30 June 2016

		Consolidated	
	Note	30 June 2016 \$	30 June 2015 \$
Cash flows from operating activities			
Receipts from customers		1,533,807	1,204,269
Payments to suppliers and employees		(3,982,843)	(3,234,025)
Borrowing costs		(8)	(2,590)
Interest received		207,007	136,583
Net cash used in operating activities	6	(2,242,037)	(1,895,763)
Cash flows from investing activities			
Payment for plant and equipment		(230,130)	(119,685)
Net cash used in investing activities		(230,130)	(119,685)
Cash flows from financing activities			
Proceeds from issues of shares and options		6,734,000	1,493,749
Transaction costs from issue of shares and options		(441,005)	--
Other		--	(80)
Net cash provided by financing activities		6,292,995	1,493,669
Net increase/(decrease) in cash and cash equivalents held		3,820,828	(521,779)
Cash and cash equivalents at the beginning of the financial year		3,519,337	4,025,038
Effect of exchange rate changes on cash holdings		(5,960)	16,078
Cash and cash equivalents at the end of the financial year		7,334,205	3,519,337

*The above consolidated statement of cash flows
should be read in conjunction with the accompanying notes.*

OBJ Limited ABN 72056482636
Notes to the financial statements
for the financial year ended 30 June 2016

Note 1. Basis of Preparation

It is recommended that the Preliminary Final Statements be read in conjunction with the half yearly financial statements of OBJ Limited ("the Consolidated Entity") as at 31 December 2015 together with any public announcements made by OBJ Limited during the year ended 30 June 2016, in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies used in this report are the same as those used in the half yearly financial statements of OBJ Limited as at 31 December 2015, except in relation to the matters disclosed below:

New and Revised Accounting Standards and Interpretations

In the current year, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Consolidated Entity's accounting policies.

Note 2. Revenue

	Consolidated	
	30 June 2016	30 June 2015
	\$	\$
Research and development collaboration revenue and tax incentives	1,339,404	1,394,623
Interest received	179,474	120,322
Recoveries	2,695	--
Total revenue	1,521,573	1,514,945

Note 3. Segment Information

The Consolidated Entity has considered the requirements of AASB8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Consolidated Entity operates as a single segment which is development of the dermaportation drug delivery technology within Australia.

The Consolidated Entity is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located. Operating revenues of approximately \$190,092 or 12% (2015 – \$459,000 or 30%) are derived from a single external party, being Procter & Gamble.

All the assets are located in Australia only. Segment assets are allocated to countries based on where the assets are located.

OBJ Limited ABN 72056482636
Notes to the financial statements
for the financial year ended 30 June 2016

Note 4. Issued Capital

	Consolidated	
	30 June	30 June
	2016	2015
	\$	\$
(a) Issued capital		
1,770,137,109 fully paid ordinary shares	31,346,219	25,232,558
(2015: 1,650,996,836)		

(b) Movements in ordinary share capital

Date	Details	Number of Shares	Issue Price	\$
01/07/15	Opening balance	1,650,996,836		25,232,558
12/08/15	Consultants' contribution to scientific advisory committee	1,000,000	\$0.053	53,000
02/10/15	Placement to institutional & sophisticated investors	109,649,123	\$0.057	6,250,000
02/11/15	Subscriptions received under the share purchase plan	8,491,150	\$0.057	484,000
	Less: transaction costs arising on share issues			(673,339)
30/06/16	Closing balance	1,770,137,109		31,346,219

Note 5. Reserves

	Consolidated	
	30 June	30 June
	2016	2015
	\$	\$
(a) Composition		
Share based payments reserve	3,689,386	2,533,528

The share based payments reserve records items recognised as expenses on valuation of director/employee/consultant share options and performance rights.

(b) Movements in options and performance rights were as follows:

Date	Details	Number of Performance Rights	Number of Options	Exercise Price	Fair Value of Options / Performance Rights Issued	Expiry Date
			Listed			
			Unlisted			
01/07/15	Opening Balance	82,000,000	--	--	\$2,533,528	
19/02/16	Consideration for corporate services provided by Baker Young Stockbrokers as approved by Shareholders at the AGM in relation to capital raising	--	--	7,500,000	\$0.065	20/02/2019
30/06/16	Add: value of performance rights carried forward from 30/06/15 (refer Note 7)	--	--	--	\$923,524	28/11/2017
30/06/16	Closing Balance	82,000,000	--	7,500,000	\$3,689,386	

OBJ Limited ABN 72056482636
Notes to the financial statements
for the financial year ended 30 June 2016

Note 6. Notes to the Statement of Cash Flows

	Consolidated	
	30 June	30 June
	2016	2015
	\$	\$
Reconciliation of net cash and cash equivalents used in operating activities to loss for the period		
Loss for the period	(3,555,381)	(2,353,454)
Bad debts written off	61,784	--
Depreciation	76,309	37,470
Employee benefits provisions	18,092	54,366
Equity settled share based payments	976,524	542,154
Foreign exchange movements	5,960	(16,078)
Net loss on disposal of plant and equipment	193	--
Movements in assets and liabilities:		
Trade and other receivables	142,068	(193,640)
Trade and other payables	32,414	33,419
Net cash used in operating activities	<u>(2,242,037)</u>	<u>(1,895,763)</u>

Note 7. Share Based Payments

2016

On 12 August 2015, the Company issued 1,000,000 shares in recognition of Consultants' contribution to Scientific Advisory Committee (refer Note 4).

2015

On 28 November 2014, the following *performance rights* were granted to directors as part of their remuneration:

G Denison

- 5,000,000 performance rights to vest upon receipt by the Company of the first royalty payment resulting from a licence to a third party of the Company's powered Dermaportation technology (Milestone 1);
- 5,000,000 performance rights to vest upon the execution of a new licence agreement with a third party for the utilisation of the Company's ETP technology (Milestone 2); and
- 5,000,000 performance rights to vest upon the receipt by the Company of licensing fees in excess of \$20,000,000 (Milestone 3).

J D Edwards

- 5,000,000 performance rights to vest upon receipt by the Company of the first royalty payment resulting from a licence to a third party of the Company's powered Dermaportation technology (Milestone 1);
- 5,000,000 performance rights to vest upon the execution of a new licence agreement with a third party for the utilisation of the Company's ETP technology (Milestone 2); and
- 5,000,000 performance rights to vest upon the receipt by the Company of licensing fees in excess of \$20,000,000 (Milestone 3).

Note 7. Share Based Payments (*continued*)

C J Quirk

- 5,000,000 performance rights to vest upon receipt by the Company of the first royalty payment resulting from a licence to a third party of the Company's powered Dermaportation technology (Milestone 1);
- 5,000,000 performance rights to vest upon the execution of a new licence agreement with a third party for the utilisation of the Company's ETP technology (Milestone 2); and
- 5,000,000 performance rights to vest upon the receipt by the Company of licensing fees in excess of \$20,000,000 (Milestone 3).

On 18 December 2014, the following *performance rights* were granted to various consultants and employees as part of their remuneration:

- 12,333,332 performance rights to vest upon receipt by the Company of the first royalty payment resulting from a licence to a third party of the Company's powered Dermaportation technology (Milestone 1);
- 12,333,334 performance rights to vest upon the execution of a new licence agreement with a third party for the utilisation of the Company's ETP technology (Milestone 2); and
- 12,333,334 performance rights to vest upon the receipt by the Company of licensing fees in excess of \$20,000,000 (Milestone 3).

All the performance rights were issued for nil consideration and may be exercised for nil consideration upon the occurrence of the performance conditions.

	<i>Performance rights granted to directors</i>	<i>Performance rights granted to consultants and employees</i>
Grant date	28 November 2014	18 December 2014
Expiry date	28 November 2017	28 November 2017
Share price at grant date	\$0.093	\$0.089

The total share based payment expense for the year ended 30 June 2016 was \$1,208,858 comprising \$976,524 recognised in the statement of comprehensive income and \$232,334 recognised in equity as transaction costs on option issue.

At the reporting date the value of performance rights subject to vesting conditions was \$1,299,492. These performance rights have an expiry of 28 November 2017.

Note 8. Contingent Assets and Liabilities

The directors of the Company are unaware of any existing contingent assets and liabilities, other than the contingent liability matter regarding the Company being served with a writ over a Convertible Note, as announced to the market. The Company has retained legal representation for the active defence of the matter, to which mediation continues.