

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 2016 TO 30 JUNE 2017

Key Information – Results for Announcement to the Market

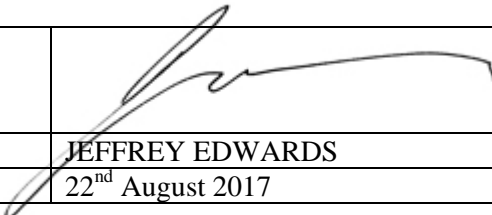
	30 June 2017	30 June 2016	Change	
	\$(‘000)	\$(‘000)	\$(‘000)	
Revenue	1,966	1,522	444	Up 29%
Loss for the period after tax	(5,537)	(3,555)	(1,982)	Up 56%
Loss attributable to members of the parent entity	(5,537)	(3,555)	(1,982)	Up 56%

Dividends

No Dividends have been declared or paid during the financial year ended 30 June 2017.

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

	30 June 2017	30 June 2016
Basic loss per share (cents/share)	(0.31)	(0.20)
Diluted loss per share (cents/share)	(0.31)	(0.20)
Net tangible assets per share (cents/share)	0.32	0.41

Signed By (Director)	
Print Name	JEFFREY EDWARDS
Date	22 nd August 2017

OBJ LIMITED ABN 72 056 482 636
Supplementary Appendix 4E information
For the financial year ended 30 June 2017

	Consolidated	
	30 June 2017 \$	30 June 2016 \$
ACCUMULATED LOSSES		
Accumulated losses at the beginning of the financial year	(27,759,834)	(24,204,453)
Loss attributable to the members of the parent entity	(5,536,876)	(3,555,381)
	<hr/>	<hr/>
Accumulated losses at the end of the financial year	<u>(33,296,710)</u>	<u>(27,759,834)</u>

1. Details of entities over which control has been gained or lost during the period, including the following:
 Not applicable.

2. 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.

3. 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.

4. 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.

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5. Review of operations for the period:

1. Overview

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The 2016/2017 financial year has been the most significant period for the Company's development to date. The commitment during the period by Procter & Gamble (P&G) to now have four products licensed is testimony to the success of P&G's customers benefiting from the features of OBJ's micro array technology.

The first standstill and license fees of USD125,000 for the second technology licensed by P&G were also received during the period. OBJ announced the execution of an agreement to develop and supply the first products featuring the second technology to be used in consumer trials by P&G. This is the first of a two-part licensing program where the parties remain committed to negotiate the longer term detailed licensing agreement building on the consumer learnings of this first stage. Licensing fees on the first stage total USD250,000 of which USD125,000 was received in the June quarter.

License fees for the micro array for the period were received from initial sales of the Eye Wand only across two brands. P&G has informed the Company that it expects sales to ramp up over the September and December quarters as the Wave II product is launched and the third product containing OBJ's technologies are launched.

OBJ has been informed by P&G that there are presently over 400,000 products either manufactured or soon to be manufactured to meet the rollout plans for Wave II and Phantom products.

A very pleasing aspect of P&G licensing is that after successful launches of the Eye Wand and soon the Wave II into Asian markets, the first sales of such products will occur into North American markets during 2018.

It is also very pleasing to learn of P&G's expected launch of the third product into both the Asian and North American markets during the second half of 2017 and through 2018. This will be the first time the OBJ technologies have been launched into North American markets after the successful launches in Asian areas. This broadens considerably the opportunities for growing revenues to the Company.

The Company does not expect a significant increase in outgoings over the next financial year. Together with the receipts starting from our first licenses into Asian and now North American markets, the Company is looking forward to a greatly improved result for the 2017/2018 year.

Work is also progressing well on the second licensed technology to P&G with the first part of the initial licensing expected to be completed during the fourth quarter of calendar 2017.

The Company has announced the appointment in August of a new Non-Executive Director, Mr Steven Schapera, who is an industry veteran in the Fast Moving Consumer Products Market and will provide invaluable advice in the direction of the OBJ business. Mr Schapera built the very successful BECCA range of cosmetic products from scratch that was recently sold to Estee Lauder for USD234m.

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

2. Licensing

2.1 Procter & Gamble (P&G)

The Procter & Gamble relationship remains the cornerstone for the Company development and commercialisation process. Key features are:



- Preparation for the launching of the second and third products by P&G over the next two quarters will be major achievements for OBJ Ltd and demonstrates users' satisfaction with the higher performance of products incorporating OBJ's micro array technology. The second (Wave II) product pictured is being launched in Singapore in July while it is expected to be launched next in Japan late August before moving into other Asian markets.
- The Company has now also reached agreement with P&G for financial support of an equivalent full time OBJ employee to help maintain the technology innovation and to support the development of new products. The financial support will amount to approximately USD100,000 per annum and is additional to receipt of specific expenditures for micro array projects. All work being undertaken for the development of the second licensed technology is also additional to this amount.
- OBJ and P&G are presently working on the fifth and sixth products incorporating micro arrays. One of these is expected to be launched during calendar 2018 and the second is expected during 2019.
- During the period, the Company announced the licensing of the second technology to P&G. This license will be constructed in two parts. The first will be to manufacture a number of pre-production units for consumer testing followed by a second agreement that will then develop and start manufacture of the final software and hardware solutions. Both parts contain standstill fees to guarantee P&G exclusivity and license fees for the delivery of units.

The first part was executed in the last quarter of 2016/2017 and the first standstill fees of USD125,000 and licensing have already been received. The remainder of this first part will yield a further USD125,000 and this is expected during the December quarter. During this first part, the terms are under negotiation for what will form a very exciting commercialisation of P&G's new products based upon OBJ's second technology.

The commencement of work on the first phase of the second licensed technology has proceeded well with in-house testing of several active ingredients at OBJ's skin laboratory.

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

This work is expected to be completed by the end of calendar 2017. The second technology is an endorsement of the success of the micro array technology that has led to increased sales of P&G's products and the benefits to consumers with diamagnetic technologies. The new technology will provide P&G and its consumers with new market opportunities for market expansion.

- Work also continues for the preparation for the launch of the third product featuring OBJ's micro array technology. This is forecast to commence during the third quarter of calendar 2017. The fourth product is expected to be launched during calendar 2018.

Meetings with senior P&G personnel took place in Singapore in June/July to plan the forward opportunities for OBJ's technologies as this very successful relationship continues building. A great deal of work is also continuing with the licensing terms being negotiated for the second technology.

3. OBJ Product Innovations

3.1 BodyGuard

The BodyGuard program remains on track to take the present prototype development and utilise an established manufacturer to bring the product to commercial standard. It is understood from feedback from potential distributors that by investing in this work, it will be easier for targeted distributors to license the product range. It will cross several market sectors and the Company has relationships with several potential distributors across these.

BodyGuard has taken several significant steps forward over this period with:

- The execution of Collaboration Agreement with a major supplier of adhesive products and materials has progressed well with the knives being manufactured to undertake preliminary prototype manufacturing of the KneeGuard. Once these have been tested, preliminary production line samples will be manufactured in sufficient quantities to undertake initial consumer testing work.
- Alternative formulations are also under development and stability testing is underway for long term shelf life definition.
- The overall program is on schedule to complete this critical manufacturing stage of the program at the commencement of calendar 2018.
- Further discussions have taken place during the period with two of the potential distributors of BodyGuard that remain keen to actively consider the distribution of the BodyGuard program following the product development phase.
- The trial of BodyGuard using Ibuprofen at Curtin University with the financial support of the Australian Federal Government is moving according to plan with manufacturing of prototype KneeGuard products underway and ethics approval imminent (granted in August). The trial will demonstrate the first use of the BodyGuard product for pain relief with the testing protocol incorporating advice from two manufacturers and distributors of products that contain Ibuprofen. It demonstrates the intention of the BodyGuard product range to deliver a wide range of active ingredients to service the raft of market sectors that exist for the BodyGuard program using multiple distribution channels.

This cornerstone study is expected to demonstrate the benefits of the BodyGuard technology over traditional drug-in-adhesive systems for the delivery of topical pharmaceutical agents.

The overall BodyGuard program seeks to develop a wide range of products to service multiple market sectors in the joint pain management and healthy ageing sectors. The clinical trial performed by University of Queensland in 2016 proved the efficacy and

consumer acceptance of the first BodyGuard product against commonly available NSAIDs.

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

These developments are significant for the possible commercialisation of the BodyGuard technology using proven reputable manufacturers and distributors that are able to best penetrate each market sector with purpose designed formulations.

Discussions continue with a number of other nominated potential distributors and interest remains very strong.

3.2 Surface Hygiene

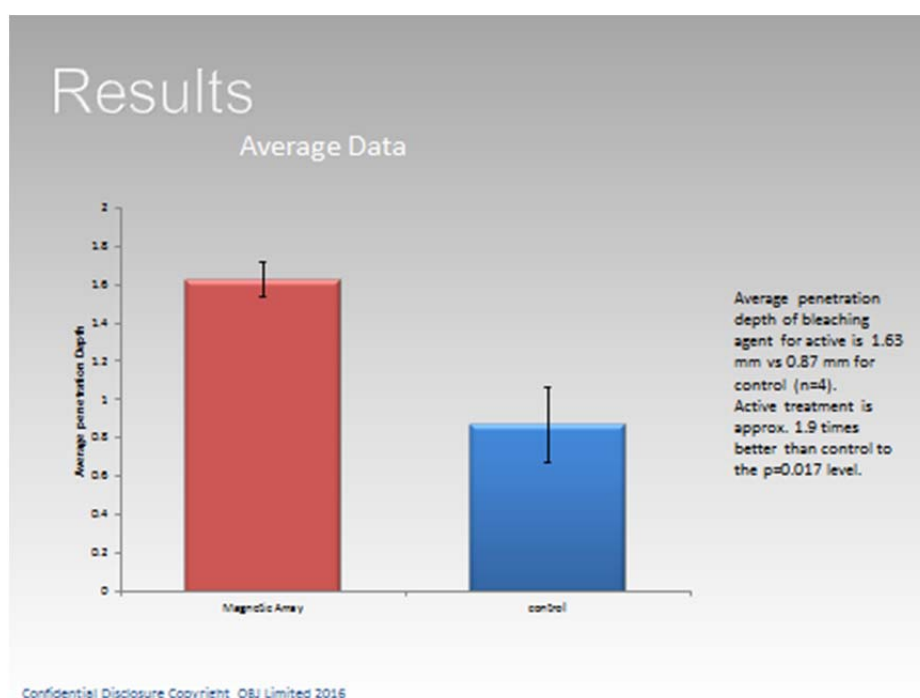
During the period, the Company's international surface hygiene partner succeeded in duplicating OBJ's surface hygiene results in their own laboratory under the rigorous scientific conditions they apply to all their own hygiene innovations and developments. This work is now continuing with additional testing taking place in the Perth laboratory.

Early success in the surface hygiene field has now led to exploration of new applications for the magnetic micro array technology that include the management of mould.

The treatment of mould in traditionally impenetrable materials such as silicone backroom sealants is a common and unsightly issue that is difficult to resolve.

Applications of strong bleaching agents are usually only partially effective due to the inability of these agents to penetrate deep into the silicone materials.

The use of magnetic micro arrays has now been shown to enhance the bleach penetration into hardened silicone and thereby improve the bleaching outcomes. The management of mould removal on surfaces is of particular interest to our nominated partner as a priority application.



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

4. The Board

The Company has retained the same Board for 12 years now as the technologies were developed, partners attracted and royalty cash flows commenced. The time is right for the Board to now be expanded to better develop the right strategies for directing the Company's expenditures and both product and licensing opportunities. The appointment of Steven Schapera on 1 August will be extremely important for the future direction of the Company.

Whether the business increases its attention to pure licensing or invests in its own end products are crucial strategies and Steven brings to the business an excellent track record of developing a whole range of products in the highly competitive cosmetics market. His experience in undertaking a trade sale on favourable terms for the BECCA range of products will be invaluable.

The Company has embarked upon the task of increasing its patent protection for the micro array technology in several key markets including China. The new patents to be lodged will focus on the matching of various micro arrays with formulations and are aimed at providing greater protection to areas where products purporting to include micro array have been observed from non-licensed distributors.

5. Accelerators

During the period, OBJ met with two Accelerators that have been introduced by P&G. Each of these offer alternative investments in commercialising OBJ's technologies and discussions continue in developing possible strategies where OBJ may be better positioned to participate in the distribution of products commercialised with OBJ technologies.

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OBJ LIMITED ABN 72 056 482 636
Supplementary Appendix 4E information
For the financial year ended 30 June 2017

6. Attachments forming part of the Appendix 4E:

Attachment I: Financial Statements and Notes thereto of OBJ Limited for the year ended 30 June 2017.

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 2017

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OBJ Limited ABN 72 056 482 636
Statement of Comprehensive Income
for the financial year ended at 30 June 2017

	Note	Consolidated	
		30 June 2017 \$	30 June 2016 \$
Revenue	2	1,799,088	1,521,573
Royalties		167,136	--
Net foreign exchange losses		(16,348)	(5,960)
Bad debts written off		--	(61,784)
Borrowing costs		(14,005)	(14,008)
Depreciation expenses		(146,228)	(76,309)
Administration fees		(458,558)	(494,584)
Auditor's remuneration		(37,750)	(36,500)
Consultants and consultants benefits expenses		(1,534,585)	(984,179)
Directors and employees benefits expenses		(4,267,577)	(2,066,418)
Legal costs		(45,954)	(77,452)
Materials and requisites		(46,285)	(39,032)
Occupancy expenses		(147,558)	(131,668)
Patent fees		(93,774)	(125,069)
Product design and trial testing expenses		(147,234)	(325,506)
Travel and accommodation		(114,121)	(146,170)
Other expenses		(433,123)	(492,315)
Loss before income tax		(5,536,876)	(3,555,381)
Income tax expense		--	--
Loss for the period		(5,536,876)	(3,555,381)
Other comprehensive income		--	--
Total comprehensive loss for the period		(5,536,876)	(3,555,381)
Loss attributable to:			
Members of the parent entity		(5,536,876)	(3,555,381)
		Cents	Cents
Basic and diluted losses per share (cents per share)		(0.31)	(0.20)

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 2017

	Note	Consolidated	
		30 June 2017	30 June 2016
		\$	\$
Current Assets			
Cash and cash equivalents		5,373,442	7,334,205
Trade and other receivables		398,737	165,507
Total Current Assets		<u>5,772,179</u>	<u>7,499,712</u>
Non Current Assets			
Plant and equipment		433,911	343,391
Total Non Current Assets		<u>433,911</u>	<u>343,391</u>
Total Assets		<u>6,206,090</u>	<u>7,843,103</u>
Current Liabilities			
Trade and other payables		230,911	284,874
Borrowings		224,000	210,000
Employee benefits provision		49,124	72,458
Total Current Liabilities		<u>504,035</u>	<u>567,332</u>
Total Liabilities		<u>504,035</u>	<u>567,332</u>
Net Assets		<u>5,702,055</u>	<u>7,275,771</u>
Equity			
Issued capital	4	31,766,487	31,346,219
Reserves	5	7,232,278	3,689,386
Accumulated losses		<u>(33,296,710)</u>	<u>(27,759,834)</u>
Total Equity		<u>5,702,055</u>	<u>7,275,771</u>

*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 2017

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<u>Consolidated</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>
Balance at 01/07/2016	31,346,219	3,689,386	(27,759,834)	7,275,771
Total comprehensive loss for the period	--	--	(5,536,876)	(5,536,876)
Performance rights issued during the year	--	3,542,892	--	3,542,892
Shares issued during the year	425,210	--	--	425,210
Transaction costs	(4,942)	--	--	(4,942)
Balance at 30/06/2017	<u>31,766,487</u>	<u>7,232,278</u>	<u>(33,296,710)</u>	<u>5,702,055</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 2017

	Note	Consolidated	
		30 June 2017 \$	30 June 2016 \$
Cash flows from operating activities			
Receipts from customers		1,497,601	1,533,807
Payments to suppliers and employees		(3,385,844)	(3,982,843)
Royalties		34,865	--
Borrowing costs		(5)	(8)
Interest received		167,029	207,007
		<hr/>	<hr/>
Net cash used in operating activities	6	(1,686,354)	(2,242,037)
Cash flows from investing activities			
Payments for plant and equipment		(253,119)	(230,130)
		<hr/>	<hr/>
Net cash used in investing activities		(253,119)	(230,130)
Cash flows from financing activities			
Proceeds from issues of shares and options		--	6,734,000
Transaction costs from issue of shares and options		(4,942)	(441,005)
		<hr/>	<hr/>
Net cash (used in)/provided by financing activities		(4,942)	6,292,995
Net (decrease)/increase in cash and cash equivalents held		(1,944,415)	3,820,828
Cash and cash equivalents at the beginning of the financial year		7,334,205	3,519,337
Effect of exchange rate changes on cash holdings		(16,348)	(5,960)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year		5,373,442	7,334,205
		<hr/> <hr/>	<hr/> <hr/>

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

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OBJ Limited ABN 72056482636
Notes to the financial statements
for the financial year ended 30 June 2017

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 2016 together with any public announcements made by OBJ Limited during the year ended 30 June 2017, 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 2016, 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 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 2017 \$	30 June 2016 \$
Research and development collaboration revenue and tax incentives	1,650,390	1,339,404
Interest received	148,698	179,474
Recoveries	--	2,695
Total revenue	<u>1,799,088</u>	<u>1,521,573</u>

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 \$401,539 or 22% (2016: \$190,092 or 12%) are derived from a single external party.

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 2017

Note 4. Issued Capital

	Consolidated	
	30 June 2017	30 June 2016
	\$	\$
(a) Issued capital		
1,775,547,109 fully paid ordinary shares (2016: 1,770,137,109)	31,766,487	31,346,219

(b) Movements in ordinary share capital

Date	Details	Number of Shares	Issue Price	\$
01/07/16	Opening balance	1,770,137,109		31,346,219
18/07/16	Consultants' contribution to scientific advisory committee	1,000,000	\$0.08	80,000
18/07/16	Employees performance to the Company in accordance with the Company's E.S.O.P.	3,720,000	\$0.08	297,600
28/11/16	Employees performance in accordance with performance milestones under the terms of employment contracts	690,000	\$0.069	47,610
	Less: transaction costs arising on share issues			(4,942)
30/06/17	Closing balance	1,775,547,109		31,766,487

Note 5. Reserves

(a) Composition

	Consolidated	
	30 June 2017	30 June 2016
	\$	\$
Share based payments reserve	7,232,278	3,689,386

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			
01/07/16	Opening Balance	82,000,000	--	7,500,000		\$3,689,386	
30/06/17	Add: value of performance rights carried forward from 30/06/16 (refer Note 7)	--	--	--	--	\$3,542,892	28/11/2017
30/06/17	Closing Balance	82,000,000	--	7,500,000		\$7,232,278	

OBJ Limited ABN 72056482636
Notes to the financial statements
for the financial year ended 30 June 2017

Note 6. Notes to the Statement of Cash Flows

	Consolidated	
	30 June	30 June
	2017	2016
	\$	\$
Reconciliation of net cash and cash equivalents used in operating activities to loss for the period		
Loss for the period	(5,536,876)	(3,555,381)
Bad debts written off	--	61,784
Depreciation	146,228	76,309
Employee benefits provisions	(23,334)	18,092
Equity settled share based payments	3,968,102	976,524
Foreign exchange movements	16,348	5,960
Net loss on disposal of plant and equipment	16,371	193
Movements in assets and liabilities:		
Trade and other receivables	(251,235)	142,068
Trade and other payables	(21,958)	32,414
Net cash used in operating activities	<u>(1,686,354)</u>	<u>(2,242,037)</u>

Note 7. Share Based Payments

2017

On 18 July 2016, the Company issued 1,000,000 shares in recognition of consultant's contribution to the Scientific Advisory Committee (refer Note 4).

On 18 July 2016, the Company issued 3,720,000 shares in recognition of employees' performance to the Company in accordance with the Company's E.S.O.P (refer Note 4).

On 28/11/2016, the Company issued 690,000 shares to employees in accordance with performance milestones under the terms of employment contracts (refer Note 4).

2016

On 12 August 2015, the Company issued 1,000,000 shares in recognition of consultants' contribution to Scientific Advisory Committee.

The total share based payment expense recognised in the statement of comprehensive income for the year ended 30 June 2017 was \$3,968,102.

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.