



## ASX ANNOUNCEMENT

### Actinogen Appendix 4E and 2022 Annual Report

Sydney, 25 August 2022. Actinogen Medical ASX: ACW ("ACW" or "the Company") is pleased to announce its financial results for the year ended 30 June 2022.

The Appendix 4E and 2022 Annual Report documents are attached.

ENDS

#### Investors

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#### *Announcement authorised by the Board of Directors of Actinogen Medical*

#### About Actinogen Medical

Actinogen Medical (ACW) is an ASX-listed, biotechnology company developing a novel therapy for neurological and neuropsychiatric diseases associated with dysregulated brain cortisol. There is a strong association between cortisol and detrimental changes in the brain, affecting cognitive function, harm to brain cells and long-term cognitive health.

Cognitive function means how a person understands, remembers and thinks clearly. Cognitive functions include memory, attention, reasoning, awareness and decision-making.

Actinogen is currently developing its lead compound, Xanamem, as a promising new therapy for Alzheimer's Disease and Depression and hopes to study Fragile X Syndrome and other neurological and psychiatric diseases in the future. Reducing cortisol inside brain cells could have a positive impact in these and many other diseases. The cognitive dysfunction, behavioural abnormalities, and neuropsychological burden associated with these conditions is debilitating for patients, and there is a substantial unmet medical need for new and improved treatments

#### About Xanamem

Xanamem's novel mechanism of action is to block the production of cortisol inside cells through the inhibition of the 11 $\beta$ -HSD1 enzyme in the brain. Xanamem is designed to get into the brain after it is absorbed in the intestines upon swallowing its capsule.

Chronically elevated cortisol is associated with cognitive decline in Alzheimer's Disease, and Xanamem has shown the ability to enhance cognition in healthy, older volunteers. Cognitive impairment is also a feature in Depression and many other diseases. Cortisol itself is also associated with depressive symptoms and when targeted via other mechanisms has shown some promise in prior clinical trials.

The Company has studied 11 $\beta$ -HSD1 inhibition by Xanamem in more than 300 volunteers and patients, so far finding a statistically significant improvement in working memory and attention, compared with placebo, in healthy, older volunteers in two consecutive trials. Previously, high levels of target engagement in the brain with doses as low as 5 mg daily have been demonstrated in a human PET imaging study. A series of Phase 2 studies in multiple diseases is being conducted to further confirm and characterize Xanamem's therapeutic potential.

Xanamem is an investigational product and is not approved for use outside of a clinical trial by the FDA or by any global regulatory authority. Xanamem® is a trademark of Actinogen Medical.

#### **Disclaimer**

This announcement and attachments may contain certain "forward-looking statements" that are not historical facts; are based on subjective estimates, assumptions and qualifications; and relate to circumstances and events that have not taken place and may not take place. Such forward looking statements should be considered "at-risk statements" - not to be relied upon as they are subject to known and unknown risks, uncertainties and other factors (such as significant business, economic and competitive uncertainties / contingencies and regulatory and clinical development risks, future outcomes and uncertainties) that may lead to actual results being materially different from any forward looking statement or the performance expressed or implied by such forward looking statements. You are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Actinogen Medical does not undertake any obligation to revise such statements to reflect events or any change in circumstances arising after the date hereof, or to reflect the occurrence of or non-occurrence of any future events. Past performance is not a reliable indicator of future performance. Actinogen Medical does not make any guarantee, representation or warranty as to the likelihood of achievement or reasonableness of any forward-looking statements and there can be no assurance or guarantee that any forward-looking statements will be realised.

**ACTINOGEN MEDICAL ENCOURAGES ALL CURRENT INVESTORS TO GO PAPERLESS BY REGISTERING THEIR DETAILS WITH THE DESIGNATED REGISTRY SERVICE PROVIDER, AUTOMIC GROUP.**

**ACTINOGEN MEDICAL LIMITED**  
**A P P E N D I X 4 E**

**1. Company details**

Name of entity

<b>ACTINOGEN MEDICAL LIMITED</b>		
ABN or equivalent company reference	Financial year ended ('reporting period')	Financial year ended ('previous corresponding period')
14 086 778 476	30 June 2022	30 June 2021

**2. Results for announcement to the market**

	30/6/2022 \$	30/6/2021 \$	Change \$	Amount change \$
Revenue from ordinary activities	41,072	27,090	52%	13,982
Loss from ordinary activities after tax attributable to members	9,497,370	3,915,067	59%	5,582,303
Net loss for the period attributable to members	9,497,370	3,915,067	59%	5,582,303
Net tangible asset per share (a)	0.011	0.009		

(a) Includes right-of-use asset

**3. Statement of Comprehensive Income**

Refer to attached financial statements.

**4. Statement of Financial Position**

Refer to attached financial statements.

**5. Statement of Cash Flows**

Refer to attached financial statements.

**6. Statement of Changes in Equity**

Refer to attached financial statements.

**7. Dividends/Distributions**

No dividends declared in current or prior year.

**8. Details of Dividend Reinvestment Plan**

Not applicable.

**9. Details of entities over which control has been gained or lost during the period**

Not applicable.

**10. Details of associates and joint venture entities**

Not applicable.

**11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position**

Refer to attached financial statements.

**12. Foreign entities**

Not applicable.

**13. Commentary on results and explanatory information**

Actinogen Medical Limited ('the Company') incurred a net loss after tax for the financial year ended 30 June 2022 of \$9,497,370 (2020: \$3,915,067)

	Full year ended 30/06/2022 \$	Full year ended 30/06/2021 \$
<b>Income</b>		
Interest revenue	41,072	27,090
Other income:		
Government grants	-	144,656
R&D tax rebate (current year)	3,640,082	1,438,571
R&D tax rebate (prior year deferred income)	-	400,845
Total other income	3,640,082	1,984,072
<b>Total income</b>	<b>3,681,154</b>	<b>2,011,162</b>
<b>Expenses</b>		
Research & development costs	(8,214,847)	(2,406,237)
Employment costs	(1,910,085)	(1,704,953)
Corporate & administration costs	(1,359,883)	(1,116,744)
Finance costs	(18,479)	(22,318)
Unrealised foreign currency gain	13,394	-
Share-based payment expenses	(1,287,955)	(289,282)
Amortisation expense	(312,746)	(312,747)
Depreciation expense (right-of-use asset)	(81,008)	(65,728)
Depreciation expense (office equipment)	(6,915)	(8,220)
<b>Total expenses</b>	<b>(13,178,524)</b>	<b>(5,926,229)</b>
<b>Loss before income tax</b>	<b>(9,497,370)</b>	<b>(3,915,067)</b>

While all other expenditure remained comparable with prior year, research and development costs (R&D) increased due to increased R&D activity while the Company planned, prepared and progressed with its clinical trials. This has also had a direct impact on the increase in the R&D tax incentive receivable.

Share-based expenses (non cash) increased primarily due to additional allotments and amortisation in the current year of loan shares to various employees, consultants and non-executive directors.

For further information, refer to the Directors' Report and the Financial Statements.

**14. Audit**

This report is based on accounts which have been audited.



Dr Steven Gourlay  
 Managing Director  
 Sydney, New South Wales  
 Thursday, 25 August 2022  
 Authorised for release by the Board of Directors.



# Annual Report 2022

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## Disclaimer

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**Actinogen is a neurotherapeutics developer realizing a revolutionary therapy so neurology patients and their families can live their best lives**



# Highlights

**FY2022 was a highly productive year and has set a clear pathway forward for clinical trials focused on cognition**

Reported strongly positive results for XanaMIA Part A trial

Prioritized Alzheimer's Disease (AD) & Cognitive Impairment in Depressive Disorder (CIDD) clinical trial programs

Announced high level trial design for XanaMIA Part B AD trial and XanaCIDD Depression trial

Successfully completed a \$13.3m<sup>1</sup> capital raising

Reallocated circa \$12m of resources to cognition-focused clinical trial programs

Finalized a clinical protocol for a strategic collaboration with Oxford University researchers<sup>2</sup>

Attended several significant international partnering conferences

Continued scale-up manufacturing & initiated tablet formulation

Established two new Xanamem clinical advisory boards

Appointed highly credentialed CMO & VP Clinical Operations

Strengthened IP portfolio with grant of Brazilian patent application

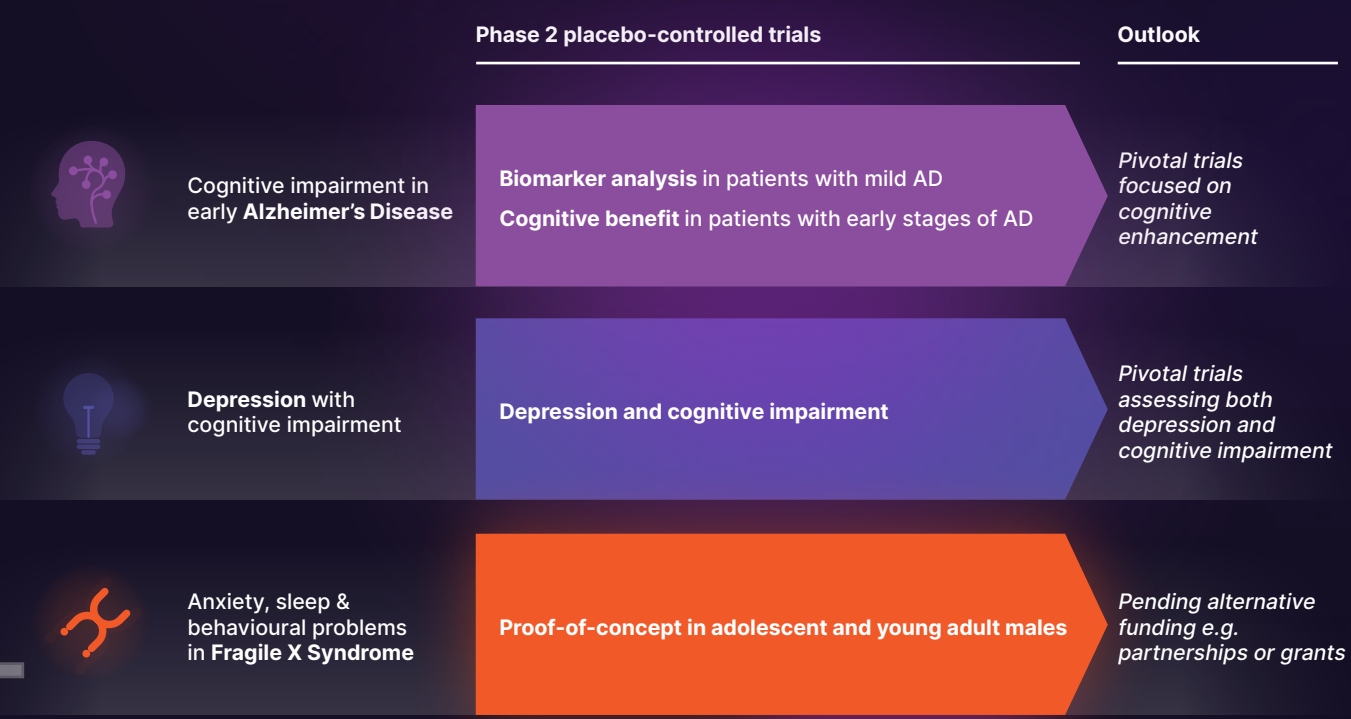
Launched new website and corporate branding & logo

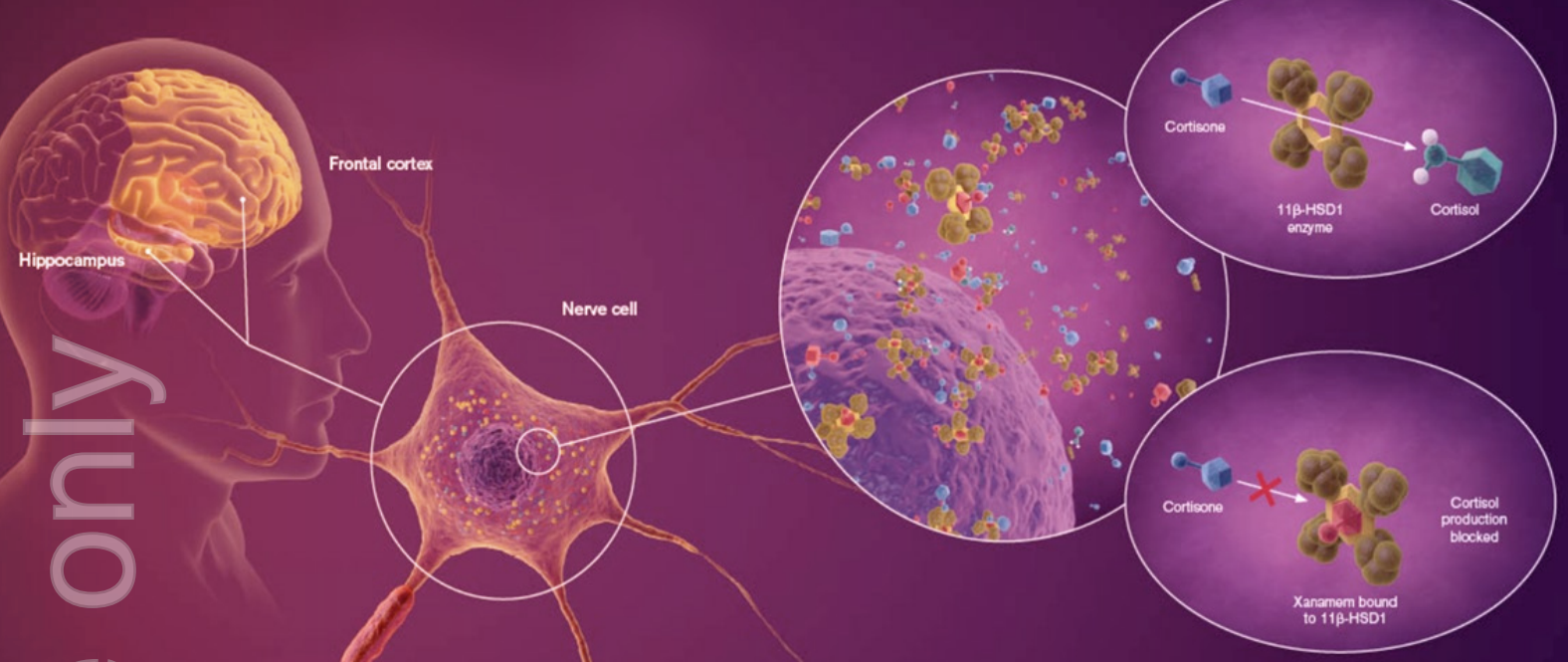
<sup>1</sup> Unless otherwise stated all financial data is quoted in Australian dollars

<sup>2</sup> To investigate the therapeutic potential for Xanamem to control the metabolic effects of excessive cortisol in a disease called Mild Autonomous Cortisol Secretion (MACS)



# The Xanamem® Pipeline





# About Xanamem and Cortisol Diseases

## Xanamem<sup>1</sup> is a unique molecule

Xanamem's novel mechanism of action sets it apart from other therapies for neurological diseases. It works by blocking the excess production of intracellular cortisol – the stress hormone – through the inhibition of the 11 $\beta$ -HSD1 enzyme inside brain cells. The 11 $\beta$ -HSD1 enzyme is highly concentrated in the hippocampus and frontal cortex, the areas of the brain associated with cognitive impairment in neurological diseases, including Alzheimer's Disease.

The Company's recent XanaMIA Part A trial confirmed Xanamem's ability to rapidly enhance attention and working memory (referred to as cognition – the ability to think and remember things). These findings replicated the pattern of improvement seen in the prior XanaHES trial. Recent human target engagement data for the drug in the brain suggests good activity of doses as low as 5mg daily. Clinical safety data has been collected from more than 300 individual patients or volunteers.

The Company is undertaking a Phase 2 placebo-controlled trial evaluating Xanamem in the treatment of Mild Cognitive Impairment (MCI) or mild AD, where some functional impairment (difficulty completing activities of daily living) is also present. It is also conducting a Phase 2 placebo-controlled trial measuring the effects of Xanamem on safety, cognitive performance and depression in patients who are inadequately treated by their anti-depressant medication and have both depressive symptoms and cognitive impairment.

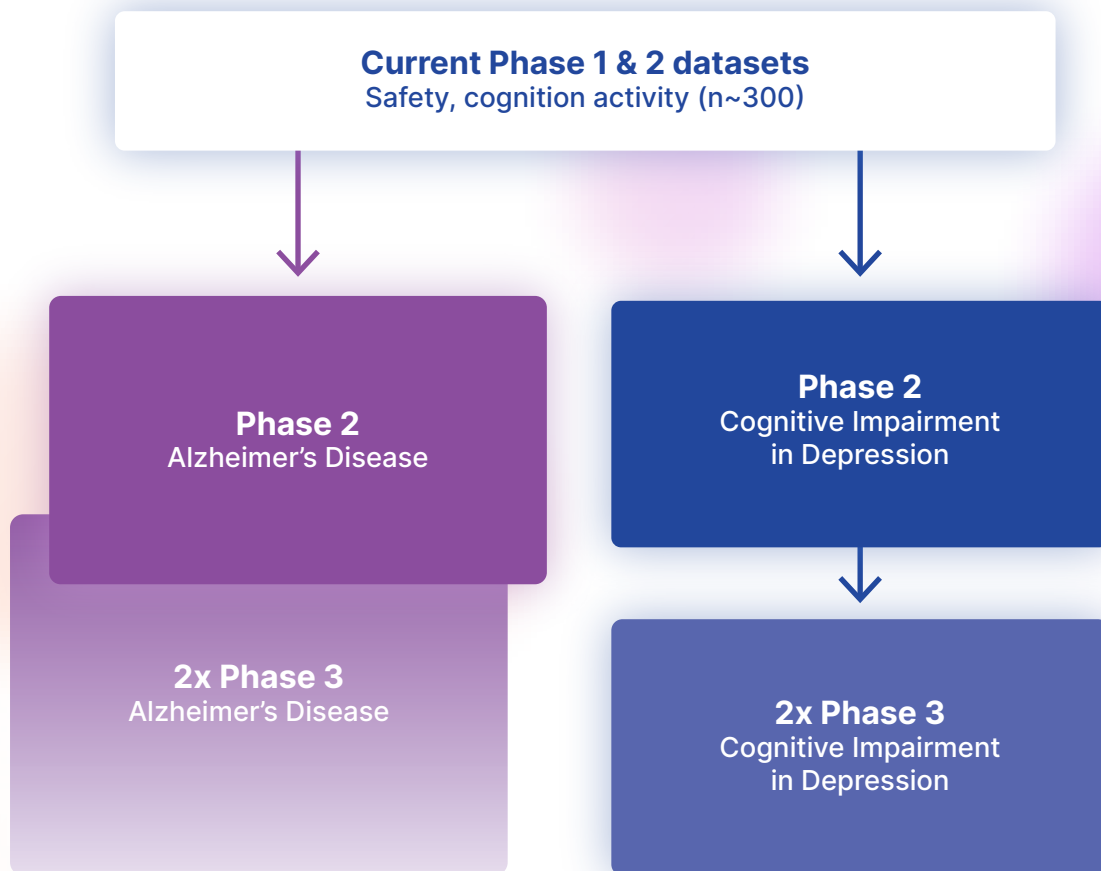
## Science & inhibition of 11 $\beta$ -HSD1: the cortisol hypothesis

Xanamem was developed in response to a large body of evidence from animals and humans implicating cortisol, commonly known as the 'stress hormone', in cognitive decline. While cortisol is produced in times of physical and mental stress, this response is normal if temporary. However, if cortisol levels remain elevated for long periods of time, it is believed to negatively affect important areas of the brain and may contribute to the formation of abnormal proteins associated with Alzheimer's Disease such as amyloid beta and tau. Excess brain cortisol is also linked to the severity of major depression and small clinical trials designed to modify brain cortisol action have shown promise.

<sup>1</sup> Xanamem is an investigational product and is not approved for use outside of a clinical trial by the FDA or by any other regulatory authority

# Clinical Trials Program Overview

Phase 2 and 3 trials to achieve marketing approvals



# Chair's Letter



Dear Shareholder,

## I am pleased to present to you the Actinogen Medical Annual Report for the financial year ended 30 June 2022.

It has been another year of major achievements for the Company and significant advancement in the clinical development pipeline.

Not only did we successfully navigate the complexities and challenges of managing clinical programs at the height of the global COVID-19 pandemic, but we also met our strategic objectives centered around operational excellence, strengthening people and partnerships and forward planning to optimize timelines to marketing approvals.

Our most significant announcement for the year was in April where we reported positive results for safety and cognition from our XanaMIA Part A trial, which replicated the improvements in working memory and attention seen in the prior XanaHES trial.

Subsequently, we announced the immediate prioritization of Alzheimer's Disease (AD) and Cognitive Impairment in (Major) Depressive Disorder (CIDD) domestic clinical trial programs, where cognition is the primary focus, and the suspension of our more complex and lengthier international Fragile X Syndrome (FXS) trial program.

That strategic decision allowed us to reallocate circa \$12 million of resources from the FXS program to the expedited AD and CIDD programs.

Readers can find out more details about the Company's adjusted strategic objectives for FY2023 in the Vision and Strategy section of this annual report on pages 10 and 11.

### Executive Leadership

Steven Gourlay has continued to excel in the role of CEO, achieving many milestones with the team throughout the year. He has brought a broad set of drug development, people and business development skills to the Company and I look forward to more great achievements in FY2023.

In February, the Company was pleased to appoint Professor Paul Rolan as Chief Medical Officer (CMO) reporting to Dr Gourlay. Professor Rolan is a clinical pharmacologist and neurology drug development consultant and one of Australia's most experienced clinical trial investigators and drug developers.

We also made two further changes of note to the executive leadership team.

The first was the promotion of Ms Tamara Miller to the position of Senior Vice President, Product Development. Ms Miller has been a key driving force behind the Company's clinical development program in recent years.

The second was the appointment of Ms Cheryl Townsend to the newly created role of Vice President, Clinical Operations. Ms Townsend has extensive experience with clinical trial operations in the Asia-Pacific region across all phases of clinical development.

### Expanding the advisory and larger team

We were pleased to announce the establishment of two new Xanamem clinical advisory boards for the Depression and FXS programs during the year.

The inaugural expert appointments to those boards comprise five renowned global thought leaders in clinical trials for Depression and assessment of Cognition, and FXS:

#### Depression and Cognition Clinical Advisory Board:

- Professor John Harrison, PhD, based in the UK
- Dr Dana C. Hilt, MD based in the USA
- Dr Christina Kurre Olsen based in Denmark

#### Fragile X Syndrome Clinical Advisory Board

(currently inactive while FXS program suspended):

- Dr Elizabeth Berry-Kravis, MD, PhD
- Dr Pam Ventola, PhD, both based in the USA

Further details on all Actinogen board, advisory board and senior executive personnel can be found on the Company's recently updated and improved corporate website, [www.actinogen.com.au](http://www.actinogen.com.au)

We continue to fill vital organisational and technical consultant roles to drive strategic initiatives and ensure the success of our clinical development program and other operational requirements.

I would like to thank all our dedicated staff, the executive team, our esteemed advisory boards and my fellow corporate board members for their strong contributions to the success of the Company in the 2022 financial year.

# Actinogen represents a unique opportunity because the clinical trial data on more than 300 people treated with Xanamem is compelling.

## Balance sheet strength

Actinogen is in a strong financial position with \$16.4 million in cash as at 30 June 2022 (\$13.4 million 30 June 2021), having successfully raised \$13.3 million in December 2021 at an offer price of 13.5 cents per share. Additional funds of \$3.6 million are expected from the R&D tax incentive cash refund in the coming months.

Shareholders subsequently ratified the issue of new shares for the December 2021 placement at a general meeting of the Company in April 2022 including the approval of 797,222 shares issued to Dr Steven Gourlay who subscribed for shares at the 13.5 cents per share issue price.

## Board and corporate governance

The Actinogen Board seeks continuous improvement in its governance and management oversight capability. During the past year we conducted our periodic review of all activities and responsibilities, including the Board skills matrix to identify gaps and opportunities for improvement. Specific developments for the Board were:

- First year of operation of the Audit Committee to monitor and review the integrity of the Company's financial reporting
- Development of a refined Key Performance Indicator (KPI) evaluation processes – KPIs are used for incentivizing employees and contractors.

We will continue to assess the skills suitable for the Board and where appropriate make changes and/or additions.

## Annual General Meeting

In consideration of the on-going COVID-19 pandemic, this year's Annual General Meeting will be in a 'hybrid', allowing both in person and virtual attendance and voting. We will advise shareholders in due course of the details of the meeting and voting procedures.

## Outlook

Actinogen has completed a busy and valuable year with the major achievement being the replication and confirmation of the cognitive enhancing properties of our lead molecule Xanamem at 5 mg and 10 mg dose levels.

The Board remains confident about the prospects of the Company in 2023 and beyond. We now enter an exciting period of Phase 2 clinical data generation, with clinical data readouts for biomarkers in AD expected before the end of October 2022, the XanaCIDD trial in late 2023 or 2024 and the XanaMIA Part B trial in early AD in 2024.

We will continue to proactively manage all aspects of our program, working closely with existing and potential new partners, to ensure the best possible outcomes for you, our shareholders.

On behalf of the Board, I would like to thank you for your ongoing support, and we look forward to updating you on our progress during the coming year.

## Dr Geoff Brooke

Chair

25 August 2022



# Chief Executive Officer's Letter



Dear Shareholder,

## Accelerating the clinical development pipeline by 'following the science'

As we outlined in our recent Clinical Trials Science Forum held in early August 2022, Actinogen's clinical trials in Alzheimer's Disease and Cognitive Impairment in Major Depressive Disorder are predicated on ensuring that we hit the 'right' criteria for successful, precision drug development:<sup>1</sup>

- Hitting the **right target**
- Having a drug with the **right properties**
- Using the **right biomarkers and assessments** to guide development
- Selecting the **right trial participants**
- Using the **right trial design**
- Targeting the **right dose**
- Ensuring the **right safety profile**.

During the year we strengthened the team to implement these principles with new appointments of:

- Professor Paul Rolan as Chief Medical Officer
- Cheryl Townsend as VP Clinical Operations
- Promotion of Tamara Miller to Senior VP Product Development.

The operational highlight of a highly productive 2022 financial year was undoubtedly the strongly positive results from the XanaMIA Part A Alzheimer's Disease trial that the Company announced in late April 2022.

The results confirmed Xanamem's ability to rapidly enhance attention and working memory (referred to as cognition – the ability to think and remember things) and replicated the pattern of improvement seen in the prior XanaHES trial.

Following these highly confirmatory results, we initiated decisive adjustments to our strategy to prioritize Alzheimer's Disease (AD) and Cognitive Impairment in Depressive Disorder (CIDD) clinical trial programs where cognition is the primary focus. We are accelerating Xanamem's clinical development with a focus on cognitive enhancement to optimize the path to commercialisation.

**Actinogen has the right team in place driving the right clinical strategy to create the greatest value from our highly promising drug Xanamem.**

While the strategy adjustment also prompted the suspension of our more complex global XanaFX Fragile X Syndrome trial, the renewed focus on cognitive enhancement allowed us to re-allocate circa \$12 million of resources from that program to our two cognition-focused programs.<sup>2</sup>

We were then able to announce the high-level trial design and commencement of activities and detailed planning for our next two major trials:

- **XanaMIA Part B Phase 2 AD trial** - a placebo-controlled 24-week trial measuring the effects of Xanamem on safety and cognitive performance in participants with early stages of AD
- **XanaCIDD Phase 2 Depression trial** - a placebo-controlled, 6-week trial measuring the effects of Xanamem on safety, cognitive performance and depression in patients who are inadequately treated by their anti-depressant medication and have both depressive symptoms and cognitive impairment.

Early in the 2023 financial year we also provided information on the timing and design of the Phase 2 biomarker study in patients with Mild AD. This study is a prospective analysis of the effects of Xanamem on AD biomarkers using stored blood samples from the prior placebo-controlled XanADu Phase 2 trial. The result of this analysis is expected to be announced before the end of October 2022.

<sup>1</sup> Based on *The 'rights' of precision drug development for Alzheimer's disease*. Cummings et al. *Alzheimer's Research & Therapy* (2019) 11:76 <https://doi.org/10.1186/s13195-019-0529-5>

<sup>2</sup> The strong scientific rationale for the FXS program has not changed and the Company will investigate alternative funding, partnership, and implementation models to study the utility of Xanamem in people with FXS.

# The operational highlight of a highly productive 2022 financial year was undoubtedly the strongly positive results from the XanaMIA Part A Alzheimer's Disease trial.

## Business development & partnering

We continued to attend important international conferences during the year either virtually or in person to facilitate partner engagement and relationship building.

In January, I attended the Biopartnering @JPM associated with the 40th annual JP Morgan HealthCare Conference in San Francisco. While there, I conducted multiple business development and other stakeholder meetings during the conference week and presented at the H.C. Wainwright BioConnect Virtual Conference that runs concurrently with the JP Morgan conference.

In June 2022, I attended the BIO International Convention in San Diego with the Company's Head of Business Development, Dr Christian Toouli.

The convention is the world's largest gathering of the biotechnology industry and an immensely important event in the meeting calendar.

We used the opportunity to conduct approximately thirty business development and stakeholder meetings to update potential pharmaceutical and biotech industry partners on the Company's clinical development pipeline and its near and medium-term milestones.

Xanamem's promising story as a breakthrough oral therapy for Alzheimer's Disease and many other illnesses continues to garner great interest.

With a strong cash position of \$16.4 million at the end of the 2022 financial year, we can take the appropriate time to determine if any potential partnerships would create true synergy and increased value for shareholders.

## The outlook is positive

We are delighted with the success we have had on our journey to this point, and I would like to extend my thanks to the team for their hard work in the 2022 financial year.

Based on the results of our trials conducted in more than 300 patients so far, we firmly believe that Xanamem has the potential to be a first in class drug in the treatment of early stage Alzheimers Disease and to be a first-in-class cognitive enhancer for Depression, with the added potential for being a successful anti-depressant (possible 'dual action').

The Company is now actively commencing an expanded Phase 2 program in AD and CIDD and continues to evaluate alternate funding solutions such as partnership and grants to progress the FXS Phase 2 trial.

Thank you for your ongoing support for Actinogen. We look forward to updating you on our progress in the near future with each successive trial milestone.

Yours sincerely,

**Dr Steven Gourlay**  
CEO & Managing Director  
25 August 2022

# Vision and Strategy

## Our Fundamentals

### Quality

In conjunction with the US FDA and other regulatory authorities, we strive for excellence in science and clinical data within our programs. As a result, we've conducted multiple high-quality clinical trials to bring our molecule, Xanamem, to this Phase 2 stage of development.

### Bold

Building on the solid scientific rationale for Xanamem's action, we are rapidly developing programs in multiple disease areas, with a priority on Alzheimer's Disease and Depression.

### Valued

We are valued and respected by patients, physicians, and industry peers to bring Xanamem's development forward. Science, data and transparency guide us to bring hope and potentially change the world of cognitive impairment forever.

### Next-Gen

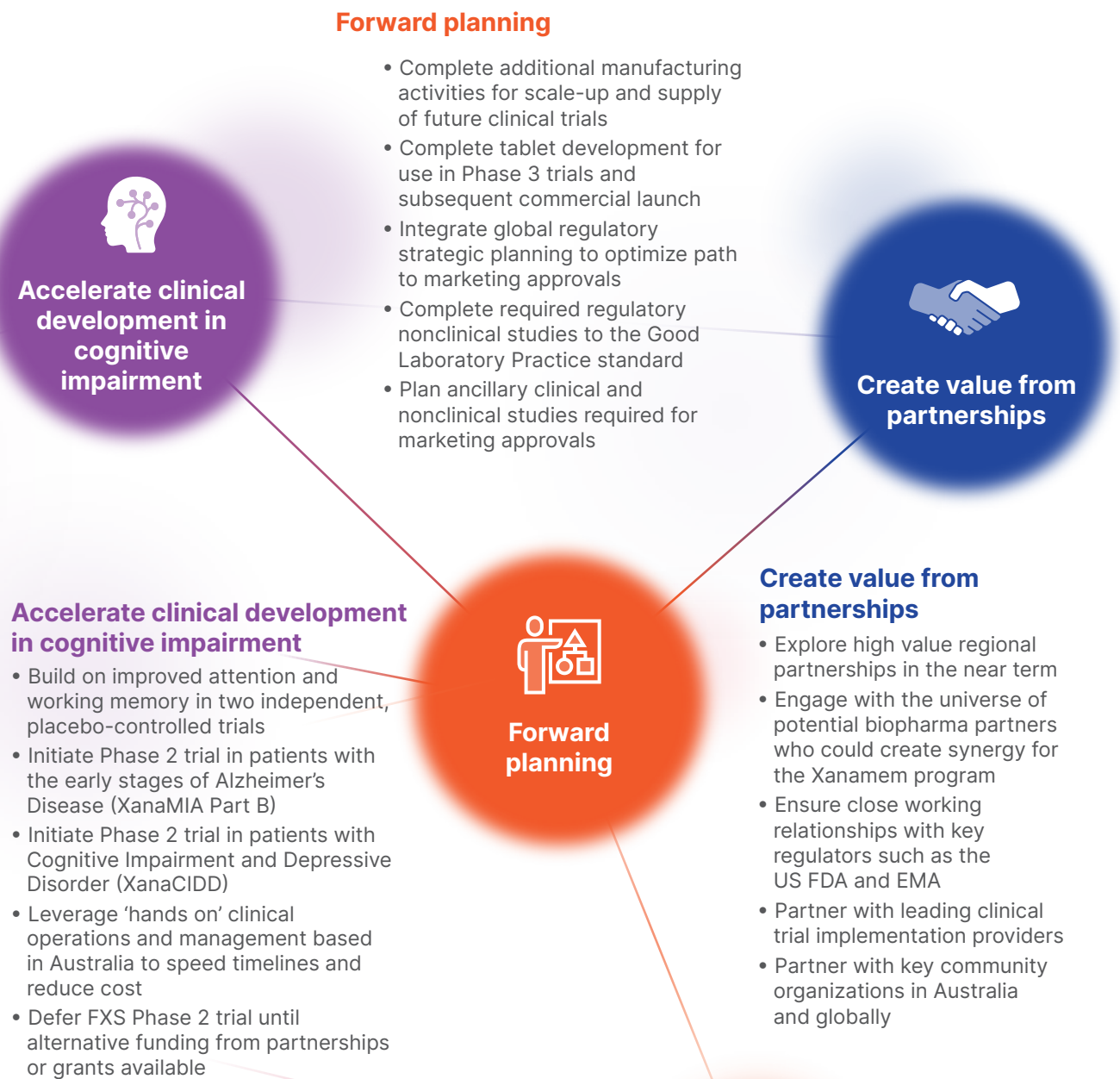
Xanamem is a cutting-edge therapy and world-class product that reduces cortisol (the "stress hormone") levels in the brain. As a result, it is a catalyst for new approaches in managing neurodegenerative and other illnesses.



## Our Vision

To realize a revolutionary therapy so that neurology patients and their families can live their best lives

## FY2023 Strategic Priorities



# Operating & Financial Review

## 1. PRINCIPAL ACTIVITIES

The principal activity of the Company during the year focused on the ongoing development of Xanamem, a unique inhibitor of the 11 $\beta$ -HSD1 enzyme that achieves target engagement in the central nervous system. It is an oral medication for neurological diseases amenable to its mechanism of lowering cortisol in brain cells. Brain cortisol is associated with a number of neurological diseases, including neurodegenerative disease such as Alzheimer's Disease (AD), neuropsychiatric diseases such as Major Depressive Disorder (MDD or Depression), and Fragile X Syndrome (FXS).

## 2. OPERATIONS REVIEW<sup>3</sup>

### Highlights

#### Clinical program

- Reported strongly positive results for attention and working memory (cognition) in the XanaMIA Part A Phase 2 trial, confirming the same pattern of improvement seen in the prior XanaHES trial
- Initiated strategic adjustments to prioritize AD and Depression clinical trial programs where cognition is the primary outcome of measurement
- Announced high level trial design and commencement of activities for XanaMIA Part B Phase 2 AD trial and the XanaCIDD Phase 2 Depression trial
- Announced that the Phase 2 biomarker trial data will be available by the end of October and that the final sample size will be approximately 70 participants (post financial year end announcement)
- Finalized a clinical protocol for a strategic collaboration with Oxford University researchers to investigate the therapeutic potential for Xanamem to control the metabolic effects of excessive cortisol in a disease called Mild Autonomous Cortisol Secretion (MACS)
- Established two new Xanamem clinical advisory boards for Depression and FXS programs
- Appointed highly credentialled Chief Medical Officer Professor Paul Rolan and VP Clinical Operations Cheryl Townsend, and continued to expand expertise through appointment of key employees and consultants

#### Manufacturing

- Continued scale-up manufacturing with Corden Pharma
- Initiated tablet development with Metrics Contract Services

#### Finances

- Successfully completed a \$13.3 million capital raising in December 2021 to fund the clinical development pipeline
- Year-end cash balance of \$16.4 million
- Reallocated circa \$12 million of resources from suspended Fragile X Syndrome program to clinical trial programs where cognition is the primary focus

#### Corporate and Business Development

- Attended and participated in several significant international conferences, events and meetings that facilitated opportunities for engagement with potential commercial partners
- Launched new corporate branding and logo. Launched new and enhanced corporate website

#### Intellectual Property

- Received *Grant of final composition of matter* patent for Xanamem received from Brazilian Patent and Trademark Office which completes the global patent approvals for that patent family, granting composition of matter protection to 2031 and beyond in many countries
- Published provisional patent for scale up synthesis
- Submitted new provisional patent for treatment of Major Depressive Disorder.

### The Year in Review

#### Strongly positive results for XanaMIA Part A Phase 2 Alzheimer's Disease trial

On 27 April 2022, the Company announced positive XanaMIA Part A trial results which confirmed Xanamem's ability to rapidly enhance attention and working memory (referred to as cognition – the ability to think and remember things). These findings replicated the pattern of improvement seen in the prior XanaHES trial.

The XanaMIA Part A trial was established to assess the efficacy of 5 mg and 10 mg Xanamem doses compared to placebo in 107 older healthy patients (aged 50 to 80 years old), over six weeks, to confirm the minimum effective dose needed to improve cognition. The target dose range was determined by the results of a dose-ranging positron emission tomography (PET) clinical trial of Xanamem's inhibition of its target in the brain.

<sup>3</sup> Unless otherwise stated, all information in this Operations Review relates to the financial year ended 30 June 2022, and all financial data is quoted in Australian dollars.



Other key features of the trial and the results were:

- Assessed cognitive abilities using the internationally recognized Cogstate computerized Cognitive Test Battery (CTB) supplemented by the International Digit Symbol Substitution Test-Symbols (IDSSTS)
- Met primary safety, pharmacodynamic and efficacy endpoints
- Confirmed Xanamem's ability to rapidly enhance attention and working memory, with a similar pattern of cognitive test findings as the prior 20 mg dose trial. No effect was observed for the IDSSTS.
- Results were consistent with a prior Positron Emission Tomography (PET) dose-ranging study that indicated dose levels of 10 mg daily or lower are likely to be effective.

For further information, please refer to the detailed XanaMIA trial results announcement along with the associated webcast slide presentation released to the ASX on 27 April 2022. Alternatively, please refer to the ASX *announcements* section in the *Investor Centre* on the Actinogen website [www.actinogen.com.au](http://www.actinogen.com.au).

#### **Strategic adjustments to prioritize Alzheimer's Disease and Cognitive Impairment in Depressive Disorder (CIDD) clinical trial programs**

Following the positive and highly confirmatory results for attention and working memory (cognition) from the XanaMIA Part A trial, the Company conducted a reassessment of its priorities and planned expenditures, resulting in the following strategic adjustments that it announced in May 2022 to:

- Prioritize *cognitive enhancement*, now shown in two independent trials for clinical development and regulatory approvals
- Focus on the AD and CIDD clinical programs for Xanamem, where cognition is the primary focus, ahead of the FXS program where cognition is one of several factors
- Expedite the XanaMIA Part B Phase 2 AD trial and the XanaCIDD Phase 2 Depression trial
- Suspend clinical trial operations for the more complex, global XanaFX FXS Phase 2 trial and reallocate those resources (approximately \$12 million) to the AD and CIDD programs and investigate alternative funding, partnership and implementation models to study the utility of Xanamem in people with FXS. The strong scientific rationale for the 11 $\beta$ -HSD1 enzyme as a therapeutic target has not changed.

#### **High level trial design for XanaMIA Part B Phase 2 AD trial and XanaCIDD Phase 2 Depression trial**

In June 2022, the Company announced that it had finalised designs for its planned Phase 2 trials in AD and CIDD:

- The XanaMIA Part B AD trial will be a six-month placebo-controlled, dose-ranging, parallel group trial in circa 300 participants measuring the effects of Xanamem on safety and cognitive performance in patients with the early stages of AD. Participants will have memory impairment alone, called Mild Cognitive Impairment (MCI) or mild AD, where some functional impairment (difficulty completing activities of daily living) is also present.

The effects of 5mg and 10mg Xanamem dose levels on cognition will be measured by the same CTB used in the XanaMIA Part A trial, supplemented by a variety of other tests of memory, attention, and executive function. Results are expected in 2024.

- The XanaCIDD MDD trial is a six-week proof-of-concept, placebo-controlled, parallel group trial measuring the effects of Xanamem on safety, cognitive performance and depression in patients who are inadequately treated by their anti-depressant medication and have both depressive symptoms and cognitive impairment. The trial will comprise approximately 160 patients with persistent Depression and cognitive impairment despite a standard course of anti-depressant therapy. Xanamem 10 mg daily or placebo will be added to the existing anti-depressant therapy and effects on both cognition and depression will be assessed. Results are expected in late 2023 or 2024.

Early in the 2023 financial year the Company signed a Letter of Intent (LOI) with Axiom Real-Time Metrics, Inc (Axiom) to provide clinical research services to help operationalise the XanaCIDD Phase 2 trial. Axiom is the premier provider of eClinical (trial automation) services to small and medium life sciences organisations.

Axiom's platform technology will support the internal Actinogen team by providing cost-effective operational solutions to manage the XanaCIDD trial. The LOI is to initiate work on the trial while a full work order is negotiated, expected in late August or early September 2022. The LOI value is US\$605,195 for a 60-day duration (extendable), and cancellable with 30 days' notice and subsequent refund of unused funds up to 50% of the LOI value.

#### **Phase 2 Biomarker study in AD**

The Company also announced early in the 2023 financial year additional details of the timing and design of its Phase 2 biomarker study in people with Mild AD. This study is a prospective analysis of the effects of Xanamem on AD biomarkers and a new analysis of efficacy in biomarker positive patients.

This study is analysing stored blood samples from the previously completed XanADu Phase 2 trial that was conducted in 185 patients with mild dementia and a clinical diagnosis consistent with AD in Australia, the USA, and the UK. The XanADu trial used a 10mg dose versus placebo over 12 weeks and results were first reported in 2019.

# Operating and Financial Review (continued)

## 2. OPERATIONS REVIEW (continued)

At the time the trial was originally conducted, blood-based AD biomarker analyses were not available. In this AD biomarker study, analyses will be 'double-blind' and guided by an *a priori* Statistical Analysis Plan. The main objectives of the study are to examine 1) the effects on cognition of Xanamem in patients with biomarker-positive AD, and 2) the effects of Xanamem on a variety of AD biomarkers.

The Company has access to adequate samples from approximately 70 of the original XanADu Phase 2 trial patients, representing a relatively large sample size for a biomarker study.

The analysis of the samples will be conducted at the University of Gothenburg, Sweden, under the direction of world-leading AD researcher Professor Kaj Blennow, with statistical analysis to follow. Results are expected to be available before the end of October 2022.

### **Successful revision of US Investigational New Drug (IND) dossier for Alzheimer's Disease with updated information and opened new FXS IND**

In the first two quarters of the financial year, the Actinogen team successfully rewrote and updated many sections of its existing AD US IND dossier so that a new IND for FXS could be filed and cross-reference the AD information. In doing so, the US FDA was provided with the latest information on nonclinical, manufacturing and clinical activities for the Xanamem program.

### **Successful \$13.3 million capital raising**

In December 2021, Actinogen announced the successful completion of a \$13.3 million capital raising, comprising a \$12 million institutional placement of 88,888,881 new, fully paid ordinary shares at an offer price of \$0.135 per new share, and a \$1.3 million Share Purchase Plan (SPP) of 9,796,389 new, ordinary fully paid shares to existing shareholders at the same \$0.135 issue price.

The funds raised are primarily being applied to the clinical development pipeline including the addition of the CIDD program and the AD biomarker study. Circa \$12 million of funding from the suspended XanaFX Phase 2 international trial was re-allocated to the AD and CIDD trial programs.

The Company held a General Meeting on 5 April 2022 to seek shareholder approval of two resolutions relating to the capital raising:

1. The issue of 797,222 shares to CEO Dr Steven Gourlay who subscribed for the shares at an issue price of \$0.135 per share in conjunction with, and at the same price as, the placement of 88,091,659 shares to sophisticated investors
2. Ratification of the 88,091,659 shares issued to sophisticated investors on 30 November 2021 under the capital raising institutional placement.

Both resolutions were approved as set out in an announcement dated 5 April 2022. Dr Gourlay subsequently completed the \$107,625 share subscription payment following shareholder approval of Resolution 1.

### **Strategic collaboration with Oxford University researchers**

The Company announced in December 2021 the finalisation of a clinical protocol as part of its strategic collaboration with researchers at the Radcliffe Department of Medicine, University of Oxford, to investigate Xanamem and a condition called Mild Autonomous Cortisol Secretion (MACS). MACS is associated with over-production of the stress hormone cortisol by noncancerous growths on the adrenal glands.

The placebo-controlled 12-week clinical trial will enrol approximately 40 participants and is designed to investigate the therapeutic potential for Xanamem in patients with MACS and will evaluate effects of Xanamem on metabolism, bone density, and cognitive function.

The trial is funded by a Medical Research Council (UK) grant, and Actinogen will supply Xanamem to Oxford free-of-charge and provide trial design support. Results are anticipated in 2024.

### **Business development and engagement at international industry conferences**

There were several important conferences and events during the year where senior executives attended, presented and/or conducted meetings either in person or online to update potential pharmaceutical industry partners on the Company's expanded clinical development pipeline and its near and medium-term milestones.

These included:

- The Biopartnering @JPM associated with the 40th annual JP Morgan HealthCare Conference in San Francisco and at the H.C. Wainwright BioConnect Virtual Conference that ran concurrently with the JP Morgan conference in January 2022. ACW CEO Dr Steven Gourlay gave presentations and used his time in San Francisco to initiate multiple business development and other stakeholder meetings

- The Sachs 15th Annual European Life Sciences CEO Forum for Partnering & Investment conference in March 2022, which was conducted entirely online. Dr Gourlay presented and conducted business development meetings
- The BIO International Convention in San Diego, USA, which is the world's largest gathering of the biotechnology industry. The ACW team comprising Dr Gourlay and the Company's Head of Business Development, Dr Christian Tooouli used the opportunity to engage in approximately 30 business development and stakeholder meetings.

#### **Continued scale-up manufacturing with Corden Pharma and initiated tablet formulation with Metrics Contract Services**

During the year Actinogen continued scale-up manufacturing of Xanamem Active Pharmaceutical Ingredient with Corden Pharma, based in Switzerland, for use in upcoming clinical trials. In addition, we initiated tablet development with Metrics Contract Services for the use in larger Phase 2 and 3 trials and commercial launch.

#### **Established two new Xanamem clinical advisory boards for Depression and FXS programs**

In December 2021, the Company announced the establishment of two new Xanamem clinical advisory boards for its programs in Depression and FXS. The inaugural expert appointments to those boards comprised five renowned global thought leaders in clinical trials for Depression and assessment of Cognition, and FXS:

##### *Depression and Cognition Clinical Advisory Board:*

Professor John Harrison, PhD, based in the UK, Dr Dana C. Hilt, MD based in the USA and Dr Christina Kurre Olsen based in Denmark

##### *Fragile X Syndrome Clinical Advisory Board (currently inactive while FXS program suspended):*

Dr Elizabeth Berry-Kravis, MD, PhD and Dr Pam Ventola, PhD, both based in the USA

The expertise and qualifications of all advisory board members can be found on the company's website.

#### **Senior executive and consultant appointments maintain operational momentum**

The Company appointed Professor Paul Rolan as Chief Medical Officer (CMO) effective 15 February 2022. Professor Rolan is a clinical pharmacologist and neurology drug development consultant and one of Australia's most experienced clinical trial investigators and drug developers, having taken drugs from first human administration to market. He has extensive expertise in the development of medicines as principal investigator in more than 750 early phase proof-of-concept, clinical pharmacology, drug interaction and special patient groups studies.

The Company also made two further changes to its executive leadership team. The first was the promotion of Ms Tamara Miller to the position of Senior Vice President Product Development. Ms Miller has been a key driving force behind the Company's clinical development program in recent years.

Given the expansion of Actinogen's clinical program to include Cognitive Impairment in Depressive Disorder during the year, the Company also created the new position of Vice President Clinical Operations and appointed Ms Cheryl Townsend to that role. Ms Townsend has extensive experience with clinical trial operations in the Asia-Pacific region across all phases of clinical development.

The Company has also continued to fill vital organisational and technical consultant roles to drive strategic initiatives and ensure the success of its clinical development program and other operational requirements. Specialists in pivotal fields such as global regulatory affairs, clinical neurology, clinical pharmacology, pharmacology, biostatistics, toxicology, manufacturing, quality and medical writing have been appointed as required to maintain operational momentum.

Further details on all Actinogen board, advisory board and senior executive personnel can be found on the Company's recently updated and improved corporate website, [www.actinogen.com.au](http://www.actinogen.com.au)

#### **Strengthened intellectual property portfolio**

In August 2021 the Company received official notification from the Brazilian Patent and Trademark Office of the grant of its patent application for Xanamem. The grant of the Brazilian patent completed a key part of Actinogen's intellectual property (IP) portfolio, with protection across all major pharmaceutical markets including the USA, UK, EU, Japan, China, Canada and Australia. The patents provide exclusive rights in these regions and cover the composition of matter of Xanamem and its use in all diseases.

Globally, this patent encompasses composition of matter protection to 2031 with the possibility to extend by an additional five years in markets including Australia, USA, EU, Korea, Japan, China and Israel.

More recent patents continued to be progressed, with publication of the provisional patent covering scale up synthesis for Active Pharmaceutical Ingredient (API) manufacture and a new patent submitted for the treatment of Major Depressive Disorder.

For a more recent patent covering the use of Xanamem in enhancing cognition in healthy subjects, the Company made extension filings in 13 key countries.

## Operating and Financial Review (continued)

### 2. OPERATIONS REVIEW (continued)

#### Launched new corporate branding and logo, and new and enhanced corporate website

In April 2022 the Company launched its new corporate website with new and improved sections in all key areas including streamlined and enhanced scientific/medical focused sections on Xanamem and Clinical Development.

The *landing page*, *Our Company*, *Investor Centre* and *News* sections have also been improved and expanded.

The website can be accessed at [www.actinogen.com.au](http://www.actinogen.com.au) and features the new corporate branding and logo revealed in last year's annual report.

### 3. FINANCIAL REVIEW

#### (a) Financial Performance

The financial performance of the Company during the year ended 30 June 2022 is as follows:

	Full year ended 30/06/2022	Full year ended 30/06/2021
Revenue and other income (\$)	3,681,154	2,011,162
Net loss after tax (\$)	(9,497,370)	(3,915,067)
Loss per share (cents)	(0.55)	(0.28)
Dividend (\$)	-	-

#### (b) Financial Position

The financial position of the Company as at 30 June 2022 is as follows:

	As at 30/06/2022 \$	As at 30/06/2021 \$
Cash and cash equivalents	16,370,283	13,456,919
Net assets / Total equity	21,739,877	17,458,081
Contributed equity	76,942,670	60,054,459
Accumulated losses	(57,939,283)	(48,441,913)

The increase in cash and cash equivalents, and contributed equity balances as at 30 June 2022 were largely attributed to capital raisings during the year, net of increased research and development expenditure.

### 4. COVID-19 RISK, FUTURE DEVELOPMENTS, AND EXPECTED RESULTS

In March 2020, the World Health Organisation declared the outbreak of COVID-19 as a pandemic. The Company has recently completed its XanaMIA Part A trial and will soon commence new trials including the XanaMIA Part B Phase 2 trial in patients with either Mild Cognitive Impairment or early Alzheimer's Disease, and its XanaCIDD Phase 2 trial in patients with Depression.

Continued outbreaks of COVID-19 may cause clinical trial disruption. There is uncertainty around the potential consequences of COVID-19 disruptions and as such the Company is unable to determine if such disruptions would have a material impact on its future clinical trials.

All material developments in Actinogen's activities will be disclosed as usual in accordance with the Company's continuous disclosure obligations under the ASX Listing Rules.

## 5. BUSINESS STRATEGY & OUTLOOK

Actinogen's strategic priorities focus on three key elements:

- **Accelerate clinical development in cognitive impairment**
- **Forward planning**
- **Create value from partnerships.**

### Accelerate clinical development in cognitive impairment

The strong results from the XanaMIA Part A trial in AD led to the prioritization of the AD and CIDD clinical trials programs where cognition is the primary focus and the path to commercialization is fastest.

Our key goals under this strategic priority are:

- Build on improved attention and working memory in two independent, placebo-controlled trials
- Initiate Phase 2 in patients with the early stages of Alzheimer's Disease (XanaMIA Part B)
- Initiate Phase 2 in patients with Cognitive Impairment and Depressive Disorder (XanaCIDD)
- Leverage 'hands on' clinical operations and management based in Australia to speed timelines and reduce cost
- Defer FXS Phase 2 trial until alternative funding from partnership or grants available

### Forward planning

In addition to conducting high quality clinical trials there are numerous other important activities for successful drug development. At Actinogen, we proactively plan and manage all aspects of the Xanamem development plan.

Our key goals under this strategic priority are:

- Complete additional manufacturing activities for scale-up and supply of future clinical trials
- Complete tablet development for use in Phase 3 trials and subsequent commercial launch
- Integrate global regulatory strategic planning to optimize path to marketing approvals
- Complete required regulatory nonclinical studies to the Good Laboratory Practice standard
- Plan ancillary clinical and nonclinical studies required for marketing approvals

### Create value from partnerships

Our active business development plan maintains and develops relationships with all potential drug development partners, both large and small. With a strong cash balance we are in a position to evaluate potential deals for synergy and increased value for Actinogen shareholders.

We use our Alzheimer's program as the 'core' collaboration with the US FDA covering manufacturing, quality and nonclinical matters. We also aim to build and maintain good working relationships with other global regulators such as the European Medicines Agency and the UK Medicines and Healthcare products Regulatory Agency.

Our key goals under this strategic priority are:

- Explore high value regional partnerships in the near term
- Engage with the universe of potential biopharma partners who could create synergy for the Xanamem program
- Close working relationships with key regulators such as the US FDA and EMA
- Partner with leading clinical trial implementation providers
- Partner with key community organizations in Australia and globally

The Company remains confident about its prospects in 2023 and beyond. Actinogen is now entering an exciting period of Phase 2 clinical data generation, with clinical data readouts for biomarkers in AD expected before the end of October 2022, the XanaCIDD trial in late 2023 or 2024 and the XanaMIA Part B trial in early AD in 2024.

Actinogen has the right team in place driving the right clinical strategy to create the greatest value from our highly promising drug Xanamem.

We are committed to proactive management of all aspects of our business to ensure the best possible outcomes for shareholders. This includes our current clinical trials program, our forward planning for future trials and eventual drug commercialization and working closely with existing and potential new partners.



# Board of Directors and Company Secretary

## BOARD OF DIRECTORS



**Dr Geoffrey Brooke**  
**MBBS, MBA**

**Non-Executive Chair (appointed 1 March 2017)**

Dr Brooke is a healthcare industry and venture capital veteran with over 30 years' international experience as the founder, lead investor and/or Chair/Director of numerous healthcare companies with a realised value of more than \$1.5 billion. Most notably, Dr Brooke was the Managing Director and Founder of leading life sciences venture capital firm, GBS Ventures - one of Asia Pacific's premier investors in the healthcare space. There, Dr Brooke was responsible for GBS's healthcare venture activity in the region and raised \$450 million in venture and private equity funds, focused on biopharmaceuticals, medical devices and services.

Dr Brooke was also responsible for numerous investments and exits via NASDAQ and ASX public listings and trade sales, as well as being lead investor in numerous investments syndicated in multiple rounds with premier US venture firms. Dr Brooke was also President and Founder of US-based seed healthcare venture capital firm, Medvest Inc., with investors including the venture capital arm of leading global multinational medical devices, pharmaceutical and consumer packaged goods manufacturer, Johnson & Johnson. Medvest was focused on founding companies based upon healthcare-related technology, including pharmaceuticals, biotechnology, therapeutic devices, medical services and information systems.

Dr Brooke now acts as a private investor in, and independent director for, a number of small to medium-sized Australian and US private and public companies. He holds a Bachelor of Medicine and a Bachelor of Surgery from Melbourne University (Australia) and a Masters of Business Administration from IMEDE (Switzerland), now IMD.

During the past three years Dr Brooke has served as a Director of the following ASX-listed companies:

- Non-Executive Director of Acrux Limited (ASX:ACR) – Current
- Non-Executive Chair of Cynata Therapeutics Limited (ASX:CYP) – Current



**Dr Steven Gourlay**  
**MBBS FRACP PhD MBA**

**Managing Director (appointed 24 March 2021)**

**Chief Executive Officer (appointed 15 March 2021)**

Dr Gourlay has more than 30 years of experience in the development of novel therapeutics and brings considerable skills and experience to Actinogen as the Company moves into further clinical development of its lead compound Xanamem. Formerly the founding Chief Medical Officer (CMO) at US-based Principia Biopharma Inc., Dr Gourlay was responsible for the supervision of multiple pre-clinical, first-in-human, Phase 2 and 3 clinical trial programs in orphan immunological diseases, multiple sclerosis and cancer. The data generated by these trials, and Dr Gourlay's roadshow presentations, supported a successful NASDAQ IPO of Principia Biopharma Inc. in 2018 - subsequently followed by an acquisition by Sanofi for US\$3.7 billion in 2020.

Prior to Principia Biopharma, Dr Gourlay was a Partner at GBS Venture Partners, the Australian specialist life sciences and healthcare venture capital firm, where he contributed to the success of multiple clinical stage therapeutic companies including Elastagen, Spinifex and Peplin. Before GBS, and after a post doctorate in clinical pharmacology at the University of California, San Francisco, he held positions of increasing responsibility at Genentech, Inc. in the areas of pharmacoepidemiology and early clinical development.

Dr Gourlay has significant drug regulatory experience with the US Food and Drug Administration (FDA), European Medicines Agency (EMA) at many levels, including filing more than 10 Investigational New Drug (IND) applications, achieving several orphan drug status approvals for his Company's product(s), and completing several biologics license applications.

Dr Gourlay is based in Sydney and holds a Bachelor of Medicine, Bachelor of Surgery (MB,BS) from the University of Melbourne, a PhD in Medicine from Monash University, an MBA from Macquarie University and is a fellow of the Royal Australian College of Physicians (FRACP). He is also a specialist physician in general internal medicine.

Dr Gourlay has held no other ASX-listed directorships during the past three years.

## Board of Directors and Company Secretary (continued)



**Dr George Morstyn**  
**MBBS FRACP PhD FTSE**  
**Non-Executive Director (appointed 1 December 2017)**

Dr Morstyn has more than 25 years' experience in the biotechnology industry including as Senior Vice President of Development and Chief Medical Officer at Amgen Inc. Dr Morstyn had overall responsibility globally for drug development in all therapeutic areas including neuroscience at Amgen Inc. and was a member of the Operating Committee. Many new products were approved and launched during Dr Morstyn's tenure. Prior to joining Amgen Inc. Dr Morstyn was the principal investigator on the earliest clinical studies of the haemopoietic colony stimulating factors (CSF). The CSFs were subsequently approved and launched and were a major medical breakthrough that have been used to reduce side effects of chemotherapy and enable transplantation in more than 20 million patients worldwide. The CSFs have become multi-billion dollar drugs. Since returning to Australia, Dr Morstyn has been a Non-Executive Director of various for-profit and not-for-profit companies, including many biotechnology companies.

Dr Morstyn is a medical graduate of Monash University (Australia), and obtained a PhD at the Walter and Eliza Hall Institute of Medical Research (Australia) and a FRACP in Medical Oncology following a Fellowship at the National Cancer Institute in the USA. Dr Morstyn is currently an advisor to Symbio (Tokyo) Limos Biotech and TroBio, and Chairman of PioTx. He is a Member of the Australian Institute of Company Directors and a Fellow of the Australian Academy of Technological Sciences and Engineering.

Dr Morstyn has held no other ASX-listed directorships during the past three years.



**Mr Malcolm McComas**  
**BEC, LLB (Monash), SFFin, FAIDC**  
**Non-Executive Director (appointed 4 April 2019)**

Mr McComas is a company director with experience in healthcare including drug development, clinical trials, the regulatory environment and medical devices. Mr McComas was previously an investment banker with career experience in financial services covering mergers and acquisitions, debt and equity funding across multiple industry sectors including healthcare, FMCG, resources, financial services and privatisations. Mr McComas has held leadership roles with Grant Samuel as Director, County NatWest (now Citigroup) as Managing Director and Head of Corporate Finance and Morgan Grenfell (now Deutsche Bank) working in Australia and the UK.

Previously, Mr McComas was a lawyer at Herbert Geer specialising in tax and company law. Mr McComas has for-purpose experience as a director of Australasian Leukaemia and Lymphoma Group (ALLG), the blood cancer clinical trials group and peak body experience as past President of the Financial Services Institute of Australia. Mr McComas is a Fellow of the Australian Institute of Company Directors and holds degrees in Law and Economics from Monash University (Australia).

During the past three years Mr McComas has served as a Director of the following ASX-listed companies:

- Chair of Pharmaxis Limited (ASX:PXS) – Current
- Chair of Fitzroy River Corporation Limited (ASX:FZR) – Current
- Non-Executive Director of Core Lithium Limited (ASX:CXO) – Current
- Non-Executive Director of Royalco Resources Limited (ASX:RCO) – Delisted February 2020



**COMPANY SECRETARY**  
**Peter Webse (appointed 10 October 2013)**  
**B.Bus, FGIA, FCPA, MAICD**

Mr Webse joined Actinogen in 2013 and has over 28 years of company secretarial experience. Mr Webse is a Director of Governance Corporate Pty Ltd, a company specialising in providing company secretarial, corporate governance, and corporate advisory services. Mr Webse attended Edith Cowan University of Western Australia to obtain his degree in Accounting and Finance. Mr Webse is a highly experienced CPA and is a Fellow of the CPA Australia (FCPA). He is also a Fellow of the Governance Institute of Australia (FGIA), a Fellow of the Chartered Governance Institute (GCI), and a Member of the Australian Institute of Company Directors (MAICD).

# Executive Leadership Team



**Dr Steven Gourlay**  
**MBBS FRACP PhD MBA**  
**Chief Executive Officer (appointed 15 March 2021)**

See biography on page 18.



**Mr Jeff Carter**  
**Chief Financial Officer**

Mr Carter joined Actinogen in September 2020 and has more than 30 years of expertise in professional accounting, investment banking, corporate finance and commercial / strategic planning roles. He has international experience as Vice President – Corporate Development and served as a member of the board of a USA based company.

Since the beginning of 2000 Mr Carter has served as chief financial officer and company secretary of several publicly listed healthcare and biotech companies. Prior to his move into the healthcare sector he also held senior positions with Coca Cola Amatil, Santos, Canadian Imperial Bank of Commerce and Touche Ross.

Mr Carter holds a Bachelor of Financial Administration (UNE) and a Master of Applied Finance (Macquarie University) and is a qualified Chartered Accountant.



**Ms Tamara Miller**  
**Senior Vice President - Product Development**

Ms Miller joined Actinogen in September 2017 and has over 20 years of international clinical operations and product development experience. Ms Miller holds a Masters and a Bachelor's Degree in Biomedical Sciences, as well as a Diploma of Business and Project Management Professional (PMP) certification.

Ms Miller has lived and worked in Australia, the UK, and the US while holding senior positions in product development, clinical operations, and project management. Her background includes positions within pharmaceutical and biotechnology companies as well as for CROs, working across a multitude of therapeutic areas, managing all aspects of the drug development life cycle, and leading cross-functional teams.

As part of the Actinogen team, Ms Miller oversees and manages the overall drug development process and strategy including pre-clinical, clinical development, clinical operations, CMC & manufacturing, regulatory operations, and R&D budget/finance operations.



**Professor Paul Rolan**  
**Chief Medical Officer**

Professor Rolan joined Actinogen in 2022. Professor Rolan is a clinical pharmacologist, pharmaceutical physician and pain management physician who has worked in both academia and industry in the UK and Australia.

Professor Rolan holds numerous academic and professional qualifications including a Bachelor of Medicine and Bachelor of Surgery (MBBS), and a Doctor of Medicine (MD). Professor Rolan also holds fellowships of the Royal Australian College of Physicians (FRACP), the Faculty of Pharmaceutical Medicine, Royal College of Physicians, (FFPM) and the Faculty of Pain Medicine, Australian and New Zealand College of Anaesthetists, (FFPMANZCA). Professor Rolan has extensive expertise in the development of medicines as principal investigator in more than 750 early phase proof-of-concept, clinical pharmacology, drug interaction and special patient groups studies.

As part of the Actinogen team, Professor Rolan provides expertise as a clinical pharmacologist and drug development consultant

## Executive Leadership Team (continued)



**Ms Cheryl Townsend**  
Vice President of Clinical Operations

Ms Townsend joined Actinogen in March 2022 and brings 30 years of international clinical research experience to Actinogen, including senior positions in clinical operations and medical affairs in pharmaceutical companies and clinical research organisations. Ms Townsend has worked across many therapeutic spheres ranging from Phase 1 through Phase 4 trials, including 10 years working in rare diseases. Most recently Ms Townsend held increasingly senior positions in clinical operations at Alexion Pharmaceuticals Australasia. Ms Townsend is a registered nurse with post graduate degrees in Nursing and Clinical Research as well as a Master's degree in Health Law.

As part of the Actinogen team, Ms Townsend is responsible for Actinogen's clinical operations and the successful delivery of the company's clinical trial program.



**Ms Therese Russell**  
Head of People & Infrastructure

Ms Russell joined Actinogen in October 2016 and has over 20 years of experience in the financial services, investment banking and corporate advisory sectors. Ms Russell has worked in project management, corporate advisory, branding, and corporate office administration roles with a range of medium to large private companies.

As part of the Actinogen team, Ms Russell is responsible for employee relations, IT infrastructure, social media and internal communications as well as the management and administration of the corporate head office.



**Dr Christian Toouli**  
Head of Business Development

Dr Toouli joined Actinogen in 2017 to manage the company's business development program and has more than fifteen years of experience in business development and strategy, particularly in the biotechnology sector. He also serves as the CEO and Managing Director of FivpHusion, a private oncology-focused biotech company, and is Executive Director of Bio-Link Australia, a global business development and strategic advisory company.

Dr Toouli has co-founded two biotechnology companies developing cutting-edge therapeutic platform technologies. Previously, Dr Toouli was a Postdoctoral Fellow in the Discovery Research Department of Schering-Plough Biopharma/DNAX Research Institute, the biotechnology arm of the Schering-Plough Corporation.

Dr Toouli holds a PhD from the University of Sydney and was awarded a Certificate in Biotechnology Management with Honours from the University of California, Santa Cruz Extension, and First-Class Honours in Biotechnology from Flinders University of South Australia. He is also a graduate of the Australian Institute of Company Directors.



**Michael Roberts**  
Investor Relations

Mr Roberts joined Actinogen in May 2021 and is a corporate communications specialist with more than 25 years' experience working with prominent ASX 50 Australian companies including Brambles, Lion Nathan and Foster's Group. Mr Roberts also provides investor relations and corporate communications consulting services at Trinity Communications.

Mr Roberts built his early career in finance and treasury before moving into corporate communications, with specialist senior executive roles in investor relations and corporate affairs. Prior to joining Actinogen, Mr Roberts was the Investor Communications Director at Sydney design and branding agency Designate Group where he provided advisory and consulting services to clients from a broad range of ASX listed companies and industries.

Mr Roberts holds a Bachelor of Economics (Hons) from Monash University and a Graduate Diploma of Applied Finance & Investment from the Financial Services Institute of Australasia. Mr Roberts is a Certified Practising Accountant (CPA) and a Fellow of the Financial Services Institute of Australasia (FFin).

As part of the Actinogen Leadership Team, Mr Roberts heads the Company's investor relations and corporate communications function.

# Directors' Report

**Your Directors present their report pertaining to Actinogen Medical Limited ('Actinogen Medical' or 'the Company') for the year ended 30 June 2022.**

## 1. BOARD OF DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this Report are as follows. Directors were in office for the entire period, unless otherwise stated.

Name	Position	Appointed	Resigned
Dr Geoffrey Brooke	Non-Executive Chairman	1/03/2017	Current
Dr Steven Gourlay	Managing Director / Chief Executive Officer	24/03/2021	Current
Dr George Morstyn	Non-Executive Director	1/12/2017	Current
Mr Malcolm McComas	Non-Executive Director	4/04/2019	Current

Details of Directors qualifications and experience are set out on pages 18 to 19 of this annual report.

### Interests in the shares and options of the Company and related bodies corporate

As at the date of this Report, the interests of the Directors in the shares and options of the Company were as follows:

Director	Fully paid ordinary shares	Loan shares (a)	Unlisted options
Dr Geoffrey Brooke	2,152,223	2,500,000	9,900,000
Dr Steven Gourlay	17,797,222	48,362,300	-
Dr George Morstyn	3,012,223	1,000,000	3,000,000
Mr Malcolm McComas	822,223	1,000,000	3,000,000
<b>Total</b>	<b>23,783,891</b>	<b>52,862,300</b>	<b>15,900,000</b>

(a) Loan shares are issued ordinary shares that carry voting and dividend rights. However, they also carry trading restrictions and have therefore been accounted for as "in-substance options". Refer to Section 11.3(C)(b)(iii) within the Remuneration Report for information on these loan shares.

## 2. DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's Directors held while each Director was in office and the number of meetings attended by each Director.

Board of Directors	Number of meetings available to attend	Number of meetings attended
Dr Geoffrey Brooke	8	8
Dr Steven Gourlay	8	8
Dr George Morstyn	8	8
Mr Malcolm McComas	8	8

Due to size and scale of the Company, there are no Remuneration, Risk, or Nomination Committees at present. Matters typically dealt with by these Committees are, for the time being, referred to the Board of Directors. During the year, the Board established an Audit Committee, and in line with best practice corporate governance, the committee comprises independent non-executive directors.

Audit Committee	Number of meetings available to attend	Number of meetings attended
Mr Malcolm McComas	1	1
Dr Geoffrey Brooke	1	0
Dr George Morstyn	1	1

The Audit Committee charter is available on our website along with other corporate governance policies including the main board charter. For details of the function of the Board please refer to the Corporate Governance Statement which is not included as part of this Annual Report but can be referenced via the Company's website.



### 3. COMPANY SECRETARY

Details of the Company Secretary's qualifications and experience are set out on page 19 of this annual report.

### 4. CORPORATE GOVERNANCE

The Board recognises the recommendations of the ASX Corporate Governance Council and has disclosed its level of compliance with those guidelines within the Corporate Governance Statement which can be referenced via the Company's website.

### 5. SHARES UNDER OPTION

As at the date of this Report, there were 37,058,333 unissued ordinary shares under option:

Quantity	Type of Option	Grant Date	Exercise Price	Expiry Date
1,500,000	Director Options	1/12/2017	\$0.100	1/12/2022
15,175,000	Director Options	28/11/2018	\$0.085	27/11/2023
5,783,333	Employee Options	12/12/2018	\$0.085	12/12/2023
5,000,000	Employee Options	1/02/2019	\$0.093	1/02/2024
3,000,000	Director Options	4/04/2019	\$0.100	4/04/2024
5,000,000	Director Options	24/03/2017	\$0.100	24/03/2025
1,600,000	Employee Options	28/09/2020	\$0.046	27/09/2025
<b>37,058,333</b>	<b>Total unissued ordinary shares under option</b>			

During the year, and up to the date of this Report, no options expired, lapsed or were forfeited.

Loan Shares currently on issue are accounted for as "in-substance options" due to the vesting conditions attached to them, however, they are in fact issued ordinary shares and therefore, not included in the table above. For further information refer to Section 11.3C(b)(iii) of the Remuneration Report.

### 6. DIVIDENDS

No amounts have been paid or declared by way of dividend since the date of incorporation. The Directors recommend that no final dividend be paid.

### 7. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

- On 13 July 2022, Actinogen provided further information on the timing and design of the Company's upcoming Biomarker Study in patients with Mild Alzheimer's Disease (AD). This Study is analysing stored plasma samples from the previously completed XanADu Phase 2 trial that was conducted in 185 patients with mild dementia and a clinical diagnosis consistent with AD in Australia, the USA, and the UK.
- On 6 July 2022 Actinogen signed a Letter of Intent (LOI) with Axiom Real-Time Metrics, Inc (Axiom) to provide clinical research services to help operationalise the XanaCIDD Phase 2 trial. Axiom is the premier provider of eClinical (trial automation) services and they will support the internal Actinogen team by providing cost-effective operational solutions to manage the trial. The LOI value of US\$605,195 is to initiate work on the trial while a full work order is negotiated.

### 8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in the financial statements, there were no significant changes in the state of affairs of the Company during the financial year.

### 9. OPERATING AND FINANCIAL REVIEW

Please refer to pages 12 to 17 of this annual report for information on the Company's principal activities, operations, financial position and business strategy and outlook. Please also refer to pages 10 and 11 for a summary of the Company's vision and strategy.

### 10. BUSINESS STRATEGY & OUTLOOK

Please refer to page 17 of this annual report for information on the Company's business strategy and outlook. Please also refer to pages 10 and 11 for a summary of the Company's vision and strategy.

# Directors' Report

## Remuneration Report (Audited)

### 11. REMUNERATION REPORT

The information contained in the Remuneration Report has been audited, as required by Section 308(3C) of the Corporations Act 2001. The Remuneration Report is set out under the following main headings:

- 11.1 Introduction
- 11.2 Remuneration governance
- 11.3 Remuneration arrangements
  - A. Remuneration principles and structures
  - B. Elements of remuneration
  - C. Details of STI and LTI incentive plans that existed during FY22
- 11.4 Key Management Personnel remuneration outcomes and performance during the financial year
- 11.5 Executive employment agreements
- 11.6 Non-Executive Director fee arrangements
- 11.7 Disclosures relating to options
- 11.8 Disclosures relating to shares
- 11.9 Loans to Key Management Personnel and their related parties
- 11.10 Other transactions & balances with Key Management Personnel and their related parties
- 11.11 Consequences of performance on shareholder's wealth

#### 11.1 INTRODUCTION

The Remuneration Report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise). The performance of the Company depends upon the quality of its KMP. To prosper, the Company must attract, motivate and retain appropriately skilled Directors and executives. The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The people considered to be KMP during the financial year were:

Name	Position	Current / Resigned
Dr Geoffrey Brooke	Non-Executive Chairman	Current
Dr Steven Gourlay	Managing Director / Chief Executive Officer	Current
Dr George Morstyn	Non-Executive Director	Current
Mr Malcolm McComas	Non-Executive Director	Current
Ms Tamara Miller	Senior Vice President - Product Development	Current
Mr Jeff Carter	Chief Financial Officer	Current
Prof Paul Rolan	Chief Medical Officer	Current

There were no other changes to KMP after the reporting date and before the date that the financial report was authorised for issue. All KMP's in the abovementioned table were KMPs for the full year, except for Professor Rolan who was a KMP from his commencement of consultancy with the Company on 15 February 2022.

## Remuneration Report (Audited) (continued)

### 11.2 REMUNERATION GOVERNANCE

The Board has not established a separate Remuneration Committee at this point in the Company's development nor has the Board engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors. Therefore, remuneration of Directors is currently set by the Board of Directors, which is put to shareholders at the Annual General Meeting (AGM). At the AGM held on 10 November 2021, Actinogen Medical received 99.45% of votes in favour of its Remuneration Report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

It is considered that the size of the Board, along with the level of activity of the Company, renders having a Remuneration Committee impractical, and the full Board considers in detail all of the matters for which the Directors are responsible. All matters of remuneration are performed in accordance with the Corporations Act 2001 requirements, especially in respect of related party transactions. Refer to the Corporate Governance Statement located on the Company's website for further information.

### 11.3 REMUNERATION ARRANGEMENTS

#### (A) Remuneration principles and structures

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. The nature and amount of remuneration of executives is assessed on a periodic basis by the Board (in the absence of a Remuneration Committee) for their approval, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- coherent remuneration policies and practices to attract and retain executives
- executives who will create value for shareholders
- competitive remuneration offered benchmarked against the external market
- fair and responsible rewards to executives having regard to the performance of the Company, the performance of the executives and the general pay environment.

#### (B) Elements of remuneration

The Company aims to reward executives with a level and mix of remuneration appropriate to their position and responsibilities, while being market competitive. The Company's remuneration structure for executives can include a mix of fixed remuneration, short term incentives and long-term incentives as outlined below.

##### *Fixed remuneration component*

Fixed remuneration is represented by total employment cost and comprises base salary, statutory superannuation contributions (where applicable) and other benefits. It is paid by the Company to compensate fully for all requirements of the executive's employment with reference to the market and the individual's role and experience. It is subject to annual review considering market data and the performance of the Company against appropriate market comparisons with the comparator group criteria being market capitalisation.

##### *Short-term incentive (STI) component*

The STI component is in the form of a cash bonus to executives of the Company (bonuses are also applicable to selected employees).

##### *Long-term incentive (LTI) component*

The Board is of the opinion that the shares and options currently on issue provide a sufficient LTI to align the goals of the KMP with those of the shareholders to maximise shareholder wealth.

# Directors' Report (continued)

## Remuneration Report (Audited) (continued)

Details of how the STI and LTI is structured is outlined in the table below.

	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
How is it paid?	Up to 100% of any STI award is paid as a cash bonus after the assessment of annual performance and achievement of business goals.	The LTI component is in the form of employee and Director options and/or loan shares upon payment of a pre-determined exercise price.
How much can executives earn?	The majority of employees have a maximum STI opportunity of 20% of fixed remuneration. During the year Ms Tamara Miller was promoted to Senior Vice President of Product Development and her maximum STI opportunity was increased from 20% to 25% of fixed remuneration. Dr Steve Gourlay, Managing Director/CEO, has a maximum STI opportunity of 35% of fixed remuneration.	The LTI opportunity is at the discretion of the Board. The value of options and/or loan shares granted is determined using the fair value at the date of grant using a Black Scholes option pricing model, taking into account the terms and conditions upon which the options and/or loan shares were granted.
How is performance measured?	STI awards are determined based the achievement of annual Key Performance Indicator's ("KPI's") and individual performance. KPI's and their relative weightings for staff other than the CEO are suggested by the Executive Leadership Team to the Board for approval. KPIs for the CEO are set by the Board. A semi-annual review is conducted with the Board and amendments or additions to KPIs are made where appropriate and necessary. KPI's can include, but are not limited to, the following: drug development, product manufacture, patient enrolment, clinical development, regulatory approvals, rebate incentives, business development activities, grant submissions, corporate communications, successful capital raising activities and share-price performance.	LTI's vest according to vesting conditions set at the date of grant. The performance measures are tested at the end of each reporting period where it is determined how many options and/or loan shares have vested according to the vesting conditions set. Options and/or loan shares may lapse if the performance measures are not met at the end of the performance period.
When is it paid?	The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures by the Board (and in the case of the CEO, by the Non-Executive Directors). The Board approves the final STI award based on this assessment of performance.	Non-cash payment is in the form of vested options and/or loan shares subject to vesting conditions being achieved and the terms and conditions upon which the options and/or loan shares were granted.
What happens if an executive leaves?	If an executive ceases employment during the performance period by reason of redundancy, ill health, death, or other circumstances approved by the Board, then subject to Board discretion, the executive may be entitled to a pro-rata cash payment based on assessment of performance up to the date of ceasing employment for that year.	If an executive resigns or is terminated for cause, any unvested LTI awards are forfeited, unless otherwise determined by the Board. If an executive ceases employment during the performance period by reason of redundancy, ill health, death, or other circumstances approved by the Board, the executive will generally be entitled to a pro-rata number of unvested options and/or loan shares based on achievement of the performance measures over the period up to the date of ceasing employment (subject to Board discretion). The treatment of vested and unexercised awards will be determined by the Board with reference to the circumstances of cessation.
What happens if there is a change of control?	In the event of a change of control, a pro-rata cash payment may be made based on assessment of performance up to the date of the change of control, at the Board's discretion.	In the event of a change of control, a pro-rata assessment may be made up to the date of the change of control. Further, under the terms and conditions of the options and/or loan shares any unvested awards may vest on a change of control.

## Remuneration Report (Audited) (continued)

### 11.3 REMUNERATION ARRANGEMENTS (CONTINUED)

#### (C) Details of STI and LTI plans that existed during the FY22

During the financial year ended 30 June 2022, the Board of Directors had in place various Short-term Incentives and Long-term Incentives which are outlined below.

##### (a) Short-term Incentives

The Board of Directors put in place various STIs that when achieved, a cash bonus is paid. Examples of such short-term performance conditions include clinical development, pre-clinical development, product development, project analysis, patient enrolments, studies, planning, regulatory, budgeting, data read-out, executed confidentiality agreements with potential partners, drug development and regulatory plan. During the 2021 and the 2022 calendar years, the Board agreed that the following KMPs received a bonus due to meeting a number of these short-term performance conditions:

- Dr Steven Gourlay - a bonus of \$100,131, representing 76% of the maximum bonus potential set for Dr Gourlay, has been accrued for at 30 June 2022 in connection with performance conditions met during the 2022 financial year. This bonus will be paid during the quarter-end 30 September 2022. Of Dr Gourlay's performance conditions set during the year, 24% were not met and subsequently forfeited.
- Ms Tamara Miller was paid a \$48,500 bonus in connection with performance conditions met and accrued for in the 2021 financial year. A bonus of \$76,250, representing 100% of the maximum bonus potential set for Ms Miller, has been accrued for at 30 June 2022 in connection with performance conditions met during the 2022 financial year. This bonus will be paid during the quarter-end 30 September 2022.

##### (b) Long-term Incentives

The LTIs currently in place are in the form of Employee Options, Director Options and Loan Shares, and are summarised below:

Reference	Type of LTI	Relating to KMP	Relating to Non-KMP	Total
(i)	Employee Options	5,600,000	6,783,333	12,383,333
(ii)	Director Options	15,900,000	8,775,000	24,675,000
	<b>Total Options on issue</b>	<b>21,500,000</b>	<b>15,558,333</b>	<b>37,058,333</b>
(iii)	Loan Shares	66,362,300	18,400,000	84,762,300
	<b>Total Loan Shares on issue</b>	<b>66,362,300</b>	<b>18,400,000</b>	<b>84,762,300</b>
	<b>Total LTIs on issue</b>	<b>87,862,300</b>	<b>33,958,333</b>	<b>121,820,633</b>

##### (i) Employee Options

During the year, the following KMP held the following options issued under the Employee Option Plan. Specific details, vesting conditions and a summary of terms and conditions are outlined below:

Employee Options			
Employee		Tamara Miller	Jeff Carter
Grant Date		12/12/2018	28/09/2020
Quantity		4,000,000	1,600,000
Exercise Price		\$0.085	\$0.046
Expiry Date		12/12/2023	27/09/2025

##### Vesting Conditions:

- Ms Tamara Miller - 4,000,000 options vest quarterly over a period of 3 years from Grant Date, subject to continuous employment with the Company during the period from the date of grant up to and including the applicable vesting dates. As at 30 June 2022, these options have fully vested.
- Mr Jeff Carter - Of 1,600,000 options issued, 533,333 (one-third) will vest 12 months from date of grant, with the balance of 1,066,667 (two-thirds) to vest quarterly over a period of 24 months thereafter. Vesting is subject to continuous service to the Company during the period from the date of grant up to and including the applicable vesting dates.
- The Employee options were independently valued using a Black-Scholes option pricing model, whereby the total share-based payment is expensed over the vesting period. Refer to Note 21: Share-based Payments for further information.



# Directors' Report (continued)

## Remuneration Report (Audited) (continued)

### Summary Terms & Conditions:

- Directors are not eligible to receive Employee Options under the Employee Option Plan currently in place with the Company. This Plan allows for employees, contractors and consultants to participate on a selected basis and at the discretion of the Board.
- Entitlement: Each Option gives the holder (Option holder) the right to subscribe for one fully paid ordinary share in the Company (Share) upon exercise of the Option.
- Issue Price of Options: Options are issued for no consideration.
- Other terms: The rights, restrictions and obligations which apply to Options, including in relation to vesting, disposal and forfeiture, are pursuant to the terms of the offer letters accepted and signed by the Employee at the time of the offer.

While there are no performance conditions attached to these Employee Options, the award is a reward for service and to provide adequate incentive for continued service to the Company.

### (ii) Director Options

There were no Director Options issued to current Directors during the financial year ended 30 June 2022. In prior years, Directors Options were issued to current Directors of the Company. The specific details, vesting conditions and a summary of terms and conditions are outlined below:

Director Options					
Director	Geoff Brooke	Geoff Brooke	George Morstyn	George Morstyn	Malcolm McComas
Grant Date	28/11/2018	24/03/2017	28/11/2018	18/01/2018	4/04/2019
Quantity	4,900,000	5,000,000	1,500,000	1,500,000	3,000,000
Exercise Price	\$0.085	\$0.100	\$0.085	\$0.100	\$0.100
Expiry Date	27/11/2023	24/03/2025	27/11/2023	1/12/2022	4/04/2024

### Vesting Conditions:

As at 30 June 2022, all Director Options outlined above have fully vested. These options were issued to vest over a period of three years from the date of grant and were subject to continuous service to the Company by each Non-Executive Director during the period from the date of grant up to and including the applicable vesting dates.

While there were no performance conditions attached to these Director Options, the awards are reward for fulfilling the role of Non-Executive Director of the Company and to provide adequate incentive for continued service to the Company.

### Summary Terms & Conditions:

- Each Option gives the holder (Option holder) the right to subscribe for one fully paid ordinary share in the Company (Share) upon exercise of the Option.
- Issue Price of Options: Options are issued for no consideration.
- Valuation Methodology: Due to the vesting conditions attached to all Director Options issued, they have been independently valued using a Black-Scholes option pricing model, whereby the total share-based payment is expensed over the vesting period. Refer to Note 21: Share-based Payments for further information.
- Other terms: The rights, restrictions and obligations which apply to Options, including in relation to vesting, disposal and forfeiture, are pursuant to the terms of each Director's engagement with the Company, and the option offer letters accepted and signed by the Director at the time of the offer.

### (iii) Loan Shares

During the year the following KMP held the following Loan Shares issued to them under an employee incentive scheme called the Employee Share Plan ('Plan'). The specific details, vesting conditions and a summary of terms and conditions are outlined below:

Loan Shares					
Director	Steven Gourlay	Steven Gourlay	Geoff Brooke	George Morstyn	Malcolm McComas
Grant Date	15/03/2021	15/03/2021	18/11/2021	18/11/2021	18/11/2021
Quantity	24,181,150	24,181,150	2,500,000	1,000,000	1,000,000
Exercise Price	\$0.035	\$0.045	\$0.20	\$0.20	\$0.20
Expiry Date	15/03/2026	15/03/2026	18/11/2026	18/11/2026	18/11/2026

## Remuneration Report (Audited) (continued)

### 11.3 REMUNERATION ARRANGEMENTS (CONTINUED)

#### (iii) Loan Shares (continued)

Loan Shares				
Other KMP	Tamara Miller	Tamara Miller	Jeff Carter	Paul Rolan
Grant Date	16/09/2021	24/05/2022	16/09/2021	24/05/2022
Quantity	5,000,000	5,000,000	500,000	3,000,000
Exercise Price	\$0.110	\$0.088	\$0.110	\$0.088
Expiry Date	16/09/2026	24/05/2027	16/09/2026	24/05/2027

#### Vesting conditions:

Loan Shares were issued with vesting conditions attached whereby there must be continuity of employment to receive the vesting benefits. While there are no performance conditions attached to these loan shares, the awards are reward for fulfilling their assigned role within the Company and to provide adequate incentive for continued service to the Company. They have been valued using a Black-Scholes option pricing model, whereby the total share-based payment is being expensed over the vesting period. Refer to Note 21: Share-based Payments for further information.

#### Non-Executive Directors:

- Loan Shares to vest over 3 years, with 1/3 vesting after 12 months from Grant Date and the remainder to vest in equal quarterly increments over the remaining 24 months.

#### Dr Steven Gourlay:

- Loan Shares to vest over 3 years, with 1/4 vesting after 12 months from Grant Date and the remainder to vest in equal monthly increments over the remaining 24 months.

#### Other KMP:

- Loan Shares to vest over 3 years, with 1/4 vesting after 12 months from Grant Date and the remainder to vest in equal monthly increments over the remaining 24 months.

#### Summary Terms & Conditions:

- Loan shares are issued by way of provision of a limited recourse loan.
- The shares carry voting and dividend rights however they also carry a restriction on being able to trade.
- The total subscription price of the Loan Shares issued to each officer is the total number of Loan Shares multiplied by the Exercise Price, which equates to the "Loan Amount". However, given that these shares are considered to be "in-substance options" or "rights" under Generally Accepted Accounting Principles, no loan amount is recognised in the financial statements.
- the loan may only be applied towards the subscription price for the Loan Shares.
- the loan will be interest free, provided that if the loan is not repaid by the repayment date set by the Board, the loan will incur interest at a default interest rate per annum after that date which will accrue on a daily basis and compounds annually on the then outstanding loan balance.
- by signing and returning a limited recourse loan application, the participant of the Plan acknowledges and agrees that the Loan Shares will not be transferred, encumbered, otherwise disposed of, or have a security interest granted over it, by or on behalf of the Participant until the loan is repaid in full to the Company.
- the Company has security over the Loan Shares as security for repayment of the loan;
- the Outstanding Loan Balance becomes due and payable (unless extended by the Company in its absolute discretion) on the first to occur of the following:
  - (a) 90 days after the Continuous Employment (or other permitted engagement) of the Participant ceases for any reason,
  - (b) by the legal personal representative of the Participant, 120 days after the Participant ceases to be an employee, officer or director of the Company due to their death, and
  - (c) the Repayment Date: which is 5 years from the date on which the Company advances the Loan to the Participant.

### 11.4 KEY MANAGEMENT PERSONNEL REMUNERATION OUTCOMES AND PERFORMANCE DURING THE FINANCIAL YEAR

During the financial years ended 30 June 2022 and 30 June 2021 (as set out in Table 1 and Table 2, respectively), KMP's received either or all of the following benefits: short-term benefits: cash salary, cash fees and cash bonuses, post-employment benefits, other long-term benefits, and share-based payments. All remuneration has been valued at the cost to the Company and expensed.

# Directors' Report (continued)

## Remuneration Report (Audited) (continued)

Table 1: Remuneration of KMP for the year ended 30 June 2022

Key Management Personnel	Short-term benefits		Termination benefits	Post-employment	Long-term benefits	Share-based payments	Percentage of Total		
	Cash, salary and fees	Cash bonus	Termination payments	Super-annuation	Accrued leave benefits	Loan shares & Options	Total	SBP-related	Performance-related
Year ended									
30 June 2022	\$	\$ (c)	\$	\$	\$	\$	\$	%	%
Geoffrey Brooke (a)	95,890	-	-	9,589	-	134,337	239,816	56%	56%
Steven Gourlay	376,432	100,131	-	23,568	28,964	426,071	955,166	45%	55%
George Morstyn (a)	63,000	-	-	-	-	52,646	115,646	46%	46%
Malcolm McComas (a)	63,000	-	-	-	-	59,695	122,695	49%	49%
Tamara Miller	284,825	76,250	-	23,568	21,916	192,597	599,156	32%	45%
Jeff Carter	112,800	-	-	-	-	22,080	134,880	16%	16%
Paul Rolan (b)	61,500	-	-	-	-	10,255	71,755	14%	14%
<b>Total KMP (d)</b>	<b>1,057,447</b>	<b>176,381</b>	<b>-</b>	<b>56,725</b>	<b>50,880</b>	<b>897,681</b>	<b>2,239,114</b>		

- (a) The total Non-Executive Director fees including superannuation during the year totalled \$231,479.
- (b) Professor Rolan was appointed as Chief Medical Officer on 15 February 2022.
- (c) For further information on short-term incentive cash bonuses, refer to Section 11.3(C)(a).
- (d) For detailed information of KMP employment arrangements, refer to Section 11.5 and Section 11.6 of the Remuneration Report.

Table 2: Remuneration of KMP for the year ended 30 June 2021

Key Management Personnel	Short-term benefits		Termination benefits	Post-employment	Long-term benefits	Share-based payments	Percentage of Total		
	Cash, salary & fees	Cash bonus (e)	Termination payments	Super-annuation	Accrued leave benefits	Loan shares & Options	Total	SBP-related	Performance-related
Year ended									
30 June 2021	\$	\$	\$	\$	\$	\$	\$	%	%
Geoffrey Brooke (a)	95,890	-	-	9,110	-	23,193	128,193	18%	18%
Steven Gourlay (b)	112,395	-	-	7,116	8,648	142,909	271,068	53%	53%
Bill Ketelbey (c)	210,480	-	238,014	18,900	16,186	41,535	525,115	8%	8%
George Morstyn (a)	63,000	-	-	-	-	7,825	70,825	11%	11%
Malcolm McComas (a)	63,000	-	-	-	-	14,132	77,132	18%	18%
Tamara Miller	270,000	73,500	-	21,694	21,909	21,067	408,170	5%	23%
Jeff Carter (d)	94,275	-	-	-	-	7,602	101,877	7%	7%
<b>Total KMP (f)</b>	<b>909,040</b>	<b>73,500</b>	<b>238,014</b>	<b>56,820</b>	<b>46,743</b>	<b>258,263</b>	<b>1,582,380</b>		

- (a) The total Non-Executive Director fees including superannuation during the year totalled \$231,000.
- (b) Dr Gourlay commenced full-time employment as Chief Executive Officer of the Company on 15 March 2021.
- (c) Dr Ketelbey resigned on 8 February 2021. Termination payments totalling \$238,014 comprise: \$86,451 covering the three-month notice period, \$35,000 STI bonus fee, \$81,116 in unused annual leave accrued up to the date of resignation, and \$35,447 in prorated long service leave benefits for approximately 6 years of service with the Company. Long-term benefits of \$16,186 relate to unused annual leave accrued during the financial year.
- (d) Mr Carter was appointed as the Chief Financial Officer of the Company on 21 September 2020.
- (e) For information on short-term incentive cash bonuses, refer to Section 11.3(C)(a).
- (f) For detailed information of KMP employment arrangements, refer to Section 11.5 and Section 11.6 of the Remuneration Report.

## Remuneration Report (Audited) (continued)

### 11.5 EXECUTIVE EMPLOYMENT AGREEMENTS

During the financial year the following executives were remunerated for their roles in the Company and were subject to the following contractual arrangements:

#### *Dr Steven Gourlay – Managing Director and Chief Executive Officer*

- Commencement of employment: 15 March 2021
- Remuneration package: A total employment cost basis (inclusive of superannuation guarantee) of \$400,000 with four weeks annual leave entitlement. With effect from 1 July 2022, the total employment cost basis was increased to \$420,800 (inclusive of superannuation guarantee).
- A specific short-term incentive component is also provided for within the Managing Director's remuneration package. Currently this an annual bonus subject to satisfying performance objectives to be determined by the Board in its discretion annually. The target incentive bonus will be up to a maximum of 35% of Base Salary, prorated to the date of commencement of Employment for the first year and the Board's determination of whether the performance objectives have been achieved will be final and binding on the Employee. The Board may (but without assuming any obligation in future periods) for an exceptional performance in any year as determined by the Board in its discretion, award a bonus in excess of 35% of Base Salary. For further information on STI's refer to Section 11.3(C)(a) of the Remuneration Report.
- Term: Appointment will continue on an ongoing basis unless terminated earlier in accordance with termination provisions.
- Termination: The Company or the individual may terminate the contract by giving three months' written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

#### *Ms Tamara Miller – Senior Vice President – Product Development*

- Commencement of employment: 21 September 2017
- Role: upon commencement of employment Ms Miller fulfilled the role of Director of Drug Development. On 1 April 2018, Ms Miller was promoted to Senior Director of Clinical Development and Strategy and later promoted to Vice President of Drug Development & Strategy on 1 June 2019. During the year Ms Miller was promoted to her current role of Senior Vice President – Product Development on 1 April 2022.
- Remuneration package: During the year ended 30 June 2022, Ms Miller was on a total employment cost basis (inclusive of superannuation guarantee) of \$301,668 with four weeks annual leave entitlement. With effect from 1 April 2022, Ms Miller's total employment cost basis was increased to \$328,568.
- Included within the remuneration package is an STI scheme which is put in place by the Board of Directors for the achievement of a number of various short-term performance conditions being met. For further information on STI's refer to Section 11.3(C)(a) of the Remuneration Report.
- Term: Appointment will continue on an ongoing basis unless terminated earlier in accordance with termination provisions.
- Termination: The Company or the individual may terminate the contract by giving four weeks' written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

#### *Mr Jeff Carter – Chief Financial Officer*

- Commencement of consultancy: 21 September 2020
- The standard base monthly amount has been \$9,400 (plus GST and exclusive of superannuation) and no additional charges have been made for excess hours served during the month.
- Termination: The Company or Consultant may terminate the contract by giving one month's written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

#### *Professor Paul Rolan – Chief Medical Officer*

- Commencement of consultancy: 15 February 2022
- Remuneration package set at a daily rate of \$1,500 (plus GST and exclusive of superannuation). These rates apply for 12 months and should the work continue, then these rates will be subject to Board review. The consultancy services will be requested on an "as needs" basis, however, it is expected that consultancy services will be required for a maximum of twelve days per month. Permission to exceed this level of service should be sought in advance.
- Termination: The Company or Consultant may terminate the contract by giving seven day's written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

# Directors' Report (continued)

## Remuneration Report (Audited) (continued)

### 11.6 NON-EXECUTIVE DIRECTOR FEE ARRANGEMENTS

#### Non-Executive Directors

Non-Executive Directors are remunerated by way of fees, in the form of cash, non-cash benefits and superannuation contributions and do not normally participate in schemes designed for the remuneration of executives. As noted above, fees for Non-Executive Directors are generally not directly linked to the performance of the Company, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors, at an Annual General Meeting held on 12 November 2015, is \$500,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders. Total fees, including superannuation, paid to Non-Executive Directors during the year were \$231,479.

During the financial year the following Non-Executive Directors were remunerated for their respective roles and were subject to the following contractual arrangements:

#### *Dr Geoffrey Brooke – Non-Executive Chairman – Appointed 1 March 2017*

- Director Fees set at \$105,000 per annum (inclusive of superannuation guarantee plus GST) since 1 January 2020. Subject to annual review, it was determined that these fees increase to \$111,471 per annum (inclusive of superannuation guarantee plus GST) with effect from 1 July 2022.

#### *Dr George Morstyn – Non-Executive Director – Appointed 1 December 2017*

- Director Fees set at \$63,000 per annum (plus GST and exclusive of superannuation) since 1 January 2020. Subject to annual review, it was determined that these fees increase to \$66,276 per annum (plus GST and exclusive of superannuation) with effect from 1 July 2022.

#### *Mr. Malcolm McComas – Non-Executive Director – Appointed 4 April 2019*

- Director Fees set at \$63,000 per annum (plus GST and exclusive of superannuation) since 1 January 2020. Subject to annual review, it was determined that these fees increase to \$66,276 per annum (plus GST and exclusive of superannuation) with effect from 1 July 2022.

In all instances, the abovementioned Non-Executive Directors appointments are subject to retirement by rotation under the Company's Constitution. Additionally, their termination may arise if the other members of the Board request that the officer resign with immediate effect in the event that the Board deems the individual's performance unsatisfactory, or the Company's shareholders may resolve to seek the officer's removal by members' resolution. Alternatively, the individual may resign from the Board.

## Remuneration Report (Audited) (continued)

### 11.7 DISCLOSURES RELATING TO OPTIONS

At the date of this Report, the unissued ordinary shares of Actinogen Medical under option carry no dividend or voting rights. When exercisable, each option is convertible into one fully paid ordinary share of the Company. No options lapsed during the year.

#### (i) Option holdings of KMP as at 30 June 2022:

KMP	Grant Date	Expiry Date	Balance at beginning of year 1 July 2021	Granted as remuneration	Net change other	Balance at end of year 30 June 2022	Vested during the year	Vested as at 30 June 2022	Not vested as at 30 June 2022
<b>Geoffrey Brooke</b>									
Options (10c)	24/03/2017	24/03/2025	5,000,000	-	-	5,000,000	-	5,000,000	-
Options (8.5c)	28/11/2018	27/11/2023	4,900,000	-	-	4,900,000	816,667	4,900,000	-
Loan Shares (20c)	18/11/2021	18/11/2026	-	2,500,000	-	2,500,000	-	-	2,500,000
			<b>9,900,000</b>	<b>2,500,000</b>	-	<b>12,400,000</b>	<b>816,667</b>	<b>9,900,000</b>	<b>2,500,000</b>
<b>Steven Gourlay</b>									
Loan Shares (3.5c)	15/03/2021	15/03/2026	24,181,150	-	-	24,181,150	8,312,271	8,312,271	15,868,879
Loan Shares (4.5c)	15/03/2021	15/03/2026	24,181,150	-	-	24,181,150	8,312,271	8,312,271	15,868,879
			<b>48,362,300</b>	-	-	<b>48,362,300</b>	<b>16,624,542</b>	<b>16,624,542</b>	<b>31,737,758</b>
<b>George Morstyn</b>									
Options (10c)	18/01/2018	1/12/2022	1,500,000	-	-	1,500,000	-	1,500,000	-
Options (8.5c)	28/11/2018	27/11/2023	1,500,000	-	-	1,500,000	250,000	1,500,000	-
Loan Shares (20c)	18/11/2021	18/11/2026	-	1,000,000	-	1,000,000	-	-	1,000,000
			<b>3,000,000</b>	<b>1,000,000</b>	-	<b>4,000,000</b>	<b>250,000</b>	<b>3,000,000</b>	<b>1,000,000</b>
<b>Malcolm McComas</b>									
Options (10c)	4/04/2019	4/04/2024	3,000,000	-	-	3,000,000	750,000	3,000,000	-
Loan Shares (20c)	18/11/2021	18/11/2026	-	1,000,000	-	1,000,000	-	-	1,000,000
			<b>3,000,000</b>	<b>1,000,000</b>	-	<b>4,000,000</b>	<b>750,000</b>	<b>3,000,000</b>	<b>1,000,000</b>
<b>Tamara Miller</b>									
Options (8.5c)	12/12/2018	12/12/2023	4,000,000	-	-	4,000,000	666,667	4,000,000	-
Loan shares (11c)	16/09/2021	16/09/2026	-	5,000,000	-	5,000,000	-	-	5,000,000
Loan shares (8.8c)	24/05/2022	24/05/2027	-	5,000,000	-	5,000,000	-	-	5,000,000
			<b>4,000,000</b>	<b>10,000,000</b>	-	<b>14,000,000</b>	<b>666,667</b>	<b>4,000,000</b>	<b>10,000,000</b>
<b>Jeff Carter</b>									
Options (4.6c)	28/09/2020	27/09/2025	1,600,000	-	-	1,600,000	933,332	933,332	666,668
Loan shares (11c)	16/09/2021	16/09/2026	-	500,000	-	500,000	-	-	500,000
			<b>1,600,000</b>	<b>500,000</b>	-	<b>2,100,000</b>	<b>933,332</b>	<b>933,332</b>	<b>1,166,668</b>
<b>Paul Rolan</b>									
Loan shares (8.8c)	24/05/2022	24/05/2027	-	3,000,000	-	3,000,000	-	-	3,000,000
			-	<b>3,000,000</b>	-	<b>3,000,000</b>	-	-	<b>3,000,000</b>
<b>Total KMP Holding</b>			<b>69,862,300</b>	<b>18,000,000</b>	-	<b>87,862,300</b>	<b>20,041,208</b>	<b>37,457,874</b>	<b>50,404,426</b>



# Directors' Report (continued)

## Remuneration Report (Audited) (continued)

### 11.7 DISCLOSURES RELATING TO OPTIONS (CONTINUED)

#### (ii) Value of options awarded, vested and lapsed during the financial year

KMP	Financial Year	Quantity	Fair value per option / loan share	Total Share-based payment (SBP) valuation (\$)	Value vested during the year (\$)	Total SBP expensed as at 1 July 2021	Value recognised during the year (\$)	Total SBP expensed as at 30 June 2022 (\$)	Value to be recognised in future years (\$)	Remuneration consisting of option for the year (%)
<b>Geoffrey Brooke</b>										
Options (10c)	2017	5,000,000	\$ 0.049	\$ 245,286	\$ -	\$ 245,286	\$ -	\$ 245,286	\$ -	0%
Options (8.5c)	2019	4,900,000	\$ 0.014	\$ 69,580	\$ 11,597	\$ 57,983	\$ 11,597	\$ 69,580	\$ -	5%
Loan Shares (20c)	2022	2,500,000	\$ 0.119	\$ 297,026	\$ -	\$ -	\$ 122,740	\$ 122,740	\$ 174,286	51%
		<b>12,400,000</b>		<b>\$ 611,892</b>	<b>\$ 11,597</b>	<b>\$ 303,269</b>	<b>\$ 134,337</b>	<b>\$ 437,606</b>	<b>\$ 174,286</b>	<b>56%</b>
<b>Steven Gourlay (a)</b>										
Loan Shares (3.5c)	2021	24,181,150	\$ 0.016	\$ 383,027	\$ 131,666	\$ 74,576	\$ 222,342	\$ 296,918	\$ 86,109	29%
Loan Shares (4.5c)	2021	24,181,150	\$ 0.015	\$ 350,963	\$ 120,643	\$ 68,333	\$ 203,729	\$ 272,062	\$ 78,901	26%
		<b>48,362,300</b>		<b>\$ 733,990</b>	<b>\$ 252,309</b>	<b>\$ 142,909</b>	<b>\$ 426,071</b>	<b>\$ 568,980</b>	<b>\$ 165,010</b>	<b>55%</b>
<b>George Morstyn</b>										
Options (10c)	2018	1,500,000	\$ 0.013	\$ 19,350	\$ -	\$ 19,350	\$ -	\$ 19,350	\$ -	0%
Options (8.5c)	2019	1,500,000	\$ 0.014	\$ 21,300	\$ 3,550	\$ 17,750	\$ 3,550	\$ 21,300	\$ -	3%
Loan Shares (20c)	2022	1,000,000	\$ 0.119	\$ 118,810	\$ -	\$ -	\$ 49,096	\$ 49,096	\$ 69,714	43%
		<b>4,000,000</b>		<b>\$ 159,460</b>	<b>\$ 3,550</b>	<b>\$ 37,100</b>	<b>\$ 52,646</b>	<b>\$ 89,746</b>	<b>\$ 69,714</b>	<b>46%</b>
<b>Malcolm McComas</b>										
Options (10c)	2019	3,000,000	\$ 0.014	\$ 42,396	\$ 10,599	\$ 31,797	\$ 10,599	\$ 42,396	\$ -	9%
Loan Shares (20c)	2022	1,000,000	\$ 0.119	\$ 118,810	\$ -	\$ -	\$ 49,096	\$ 49,096	\$ 69,714	40%
		<b>4,000,000</b>		<b>\$ 161,206</b>	<b>\$ 10,599</b>	<b>\$ 31,797</b>	<b>\$ 59,695</b>	<b>\$ 91,492</b>	<b>\$ 69,714</b>	<b>49%</b>
<b>Tamara Miller</b>										
Options (8.5c)	2019	4,000,000	\$ 0.016	\$ 63,200	\$ 10,533	\$ 52,667	\$ 10,533	\$ 63,200	\$ -	3%
Loan shares (11c)	2022	5,000,000	\$ 0.064	\$ 321,175	\$ -	\$ -	\$ 164,972	\$ 164,972	\$ 156,203	38%
Loan shares (8.8c)	2022	5,000,000	\$ 0.052	\$ 258,483	\$ -	\$ -	\$ 17,092	\$ 17,092	\$ 241,391	4%
		<b>14,000,000</b>		<b>\$ 642,858</b>	<b>\$ 10,533</b>	<b>\$ 52,667</b>	<b>\$ 192,597</b>	<b>\$ 245,264</b>	<b>\$ 397,594</b>	<b>45%</b>
<b>Jeff Carter</b>										
Options (4.6c)	2021	1,600,000	\$ 0.009	\$ 14,948	\$ 5,583	\$ 7,602	\$ 5,583	\$ 13,185	\$ 1,763	4%
Loan shares (11c)	2022	500,000	\$ 0.064	\$ 32,117	\$ -	\$ -	\$ 16,497	\$ 16,497	\$ 15,620	12%
		<b>2,100,000</b>		<b>\$ 47,065</b>	<b>\$ 5,583</b>	<b>\$ 7,602</b>	<b>\$ 22,080</b>	<b>\$ 29,682</b>	<b>\$ 17,383</b>	<b>16%</b>
<b>Paul Rolan</b>										
Loan shares (8.8c)	2022	3,000,000	\$ 0.052	\$ 155,090	\$ -	\$ -	\$ 10,255	\$ 10,255	\$ 144,835	14%
		<b>3,000,000</b>		<b>\$ 155,090</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,255</b>	<b>\$ 10,255</b>	<b>\$ 144,835</b>	<b>14%</b>
<b>Total KMP Holding</b>		<b>87,862,300</b>		<b>\$ 2,511,561</b>	<b>\$ 294,171</b>	<b>\$ 575,344</b>	<b>\$ 897,681</b>	<b>\$ 1,473,025</b>	<b>\$ 1,038,536</b>	

## Remuneration Report (Audited) (continued)

### 11.8 DISCLOSURES RELATING TO SHARES

The shareholding of KMP as at 30 June 2022 is as follows:

KMP	Balance at beginning of year 1 July 2021	Granted as remuneration	On exercise of options	Accounted for as options (f)	Net change other	Balance at end of year 30 June 2022
Geoffrey Brooke (a)	1,590,000	-	-	-	562,223	2,152,223
Steven Gourlay (b)	15,000,000	-	-	-	2,797,222	17,797,222
George Morstyn (c)	2,790,000	-	-	-	222,223	3,012,223
Malcolm McComas (d)	600,000	-	-	-	222,223	822,223
Tamara Miller	-	-	-	-	-	-
Jeff Carter (e)	-	-	-	-	298,149	298,149
Paul Rolan	-	-	-	-	-	-
<b>Total share holding</b>	<b>19,980,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,102,040</b>	<b>24,082,040</b>

- (a) Dr Brooke purchased 222,223 fully paid ordinary shares at 13.5 cents each under a share purchase plan and 340,000 on market.
- (b) Dr Gourlay purchased 797,222 fully paid ordinary shares at 13.5 cents each under a share placement approved by shareholders on 5 April 2022 and 2,000,000 on market.
- (c) Dr Morstyn purchased 222,223 fully paid ordinary shares at 13.5 cents each under a share purchase plan.
- (d) Mr McComas purchased 222,223 fully paid ordinary shares at 13.5 cents each under a share purchase plan.
- (e) Mr Jeff Carter is one of five beneficiaries in Carter Superannuation Fund who purchased 148,149 fully paid ordinary shares at 13.5 cents under a share purchase plan and 150,000 on market.
- (f) Loan Shares on issue, although issued ordinary shares that carry voting and dividend rights, they also carry a restriction on being able to trade and have therefore, been accounted for as "in-substance options". Refer to Section 11.3(C)(b)(iii) within the Remuneration Report for information on these Loan Shares, and Section 11.7 for how these shares have been accounted for as options in respect of value and quantity.

### 11.9 LOANS TO KMP AND THEIR RELATED PARTIES

During the year, a limited recourse interest free loans were provided to KMP's in the form Loan Shares. Due to the nature of these loans, they were not accounted for as loans, rather they were accounted for as "in-substance options". For further information on these Loan Shares, refer to Section 11.3(C)(b)(iii) within the Remuneration Report. As at 30 June 2022, there are no other loans held with any other KMP or any of their related entities.

### 11.10 OTHER TRANSACTIONS AND BALANCES WITH KMP AND THEIR RELATED PARTIES

There were no other transactions with any Director or KMP or any of their related entities during the year.

### 11.11 CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER'S WEALTH

The table below sets out the performance of the Company and the consequences of share price performance on shareholders' wealth over the past five years as at 30 June year end:

	2022	2021	2020	2019	2018
Quoted price of ordinary shares at year end (cents)	5.00	12.0	2.2	1.0	4.8
Loss per share (cents)	0.55	0.28	0.48	0.90	0.88
Dividends paid	-	-	-	-	-

End of Remuneration Report (Audited)

# Directors' Report (continued)

## 12. INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

## 13. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Actinogen Medical paid a total of \$84,000 plus stamp duty to insure the Directors and Officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

## 14. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court, under section 237 of the Corporations Act 2001, to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings. The Company was not a party to any such proceedings during the year.

## 15. ENVIRONMENTAL REGULATIONS

The Company's operations are not subject to significant environmental regulation under the Australian Commonwealth or State law.

## 16. AUDIT & NON-AUDIT SERVICES

Total amounts paid or payable to the external auditors and their associated entities for an audit or review of the financial statements of the Company during the financial year ended 30 June 2022 totalled \$69,500 (2021: 43,265).

Total non-audit services paid to the external auditors and their associated entities during the year ended 30 June 2022 was \$Nil (2021: \$Nil).

## 17. AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2022 forms a part of the Directors' Report and can be found on page 37. Signed in accordance with a resolution of the Board of Directors.

  
Dr Steven Gourlay  
Managing Director  
Sydney, New South Wales  
25 August 2022

# Auditor's Independence Declaration



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## Auditor's independence declaration to the directors of Actinogen Medical Limited

As lead auditor for the audit of the financial report of Actinogen Medical Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) No contraventions of any applicable code of professional conduct in relation to the audit; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

A stylized signature of the Ernst &amp; Young firm, written in black ink.

Ernst & Young

A handwritten signature in black ink, likely belonging to Pierre Dreyer.

Pierre Dreyer  
Partner  
25 August 2022

# Financial Report

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# Statement of Comprehensive Income

For the year ended 30 June 2022

	Note	Full year ended 30/06/2022 \$	Full year ended 30/06/2021 \$
Interest revenue		41,072	27,090
Other income		3,640,082	1,984,072
<b>Total revenue &amp; other income</b>	6	<b>3,681,154</b>	<b>2,011,162</b>
Research & development costs	6	(8,214,847)	(2,406,237)
Employment costs		(1,910,085)	(1,704,953)
Corporate & administration costs		(1,359,883)	(1,116,744)
Finance costs		(18,479)	(22,318)
Unrealised foreign currency gain		13,394	-
Share-based payment expenses		(1,287,955)	(289,282)
Amortisation expense	12	(312,746)	(312,747)
Depreciation expense (right-of-use asset)	11	(81,008)	(65,728)
Depreciation expense (office equipment)	10	(6,915)	(8,220)
<b>Total expenses</b>		<b>(13,178,524)</b>	<b>(5,926,229)</b>
<b>Loss before income tax</b>		<b>(9,497,370)</b>	<b>(3,915,067)</b>
Income tax expense		-	-
<b>Loss for the year</b>		<b>(9,497,370)</b>	<b>(3,915,067)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit and loss:			
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(9,497,370)</b>	<b>(3,915,067)</b>
<b>Loss per share for attributable to the ordinary equity holders of the Company</b>			
Basic and diluted loss per share in cents	17	<b>(0.55)</b>	<b>(0.28)</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.



# Statement of Financial Position

As at 30 June 2022

	Note	As at 30/06/2022 \$	As at 30/06/2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	16,370,283	13,456,919
Other receivables and prepayments	9	4,046,639	1,634,322
<b>Total Current Assets</b>		<b>20,416,922</b>	<b>15,091,241</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	12,531	16,509
Intangible assets	12	2,720,458	3,033,204
Right-of-use assets	11	156,440	237,448
<b>Total Non-Current Assets</b>		<b>2,889,429</b>	<b>3,287,161</b>
<b>TOTAL ASSETS</b>		<b>23,306,351</b>	<b>18,378,402</b>
<b>Current Liabilities</b>			
Trade and other payables	13	1,308,381	619,573
Provision for employee entitlements		92,823	64,307
Lease liability	11(c)	78,337	71,170
<b>Total Current Liabilities</b>		<b>1,479,541</b>	<b>755,050</b>
<b>Non-Current Liabilities</b>			
Lease liability	11(c)	86,933	165,271
<b>Total Non-Current Liabilities</b>		<b>86,933</b>	<b>165,271</b>
<b>TOTAL LIABILITIES</b>		<b>1,566,474</b>	<b>920,321</b>
<b>NET ASSETS</b>		<b>21,739,877</b>	<b>17,458,081</b>
<b>Equity</b>			
Contributed equity	14(a)	76,942,670	60,054,459
Reserve shares	14(b)	(6,331,492)	(1,934,492)
Reserves	15	9,067,982	7,780,027
Accumulated losses		(57,939,283)	(48,441,913)
<b>TOTAL EQUITY</b>		<b>21,739,877</b>	<b>17,458,081</b>

The above Statement of Financial Position should be read in conjunction with the accompanying Notes.

# Statement in Changes of Equity

For the year ended as at 30 June 2022

	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Reserve Shares \$	Total \$
<b>Full year ended 30 June 2022</b>					
Balance as at 1 July 2021	60,054,459	(48,441,913)	7,780,027	(1,934,492)	17,458,081
Loss for the year	-	(9,497,370)	-	-	(9,497,370)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(9,497,370)	-	-	(9,497,370)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Shares issued during the year	17,719,500	-	-	(4,397,000)	13,322,500
Capital raising costs	(831,289)	-	-	-	(831,289)
Share-based payments	-	-	1,287,955	-	1,287,955
<b>Balance as at 30 June 2022</b>	<b>76,942,670</b>	<b>(57,939,283)</b>	<b>9,067,982</b>	<b>(6,331,492)</b>	<b>21,739,877</b>
<b>Full year ended 30 June 2021</b>					
Balance as at 1 July 2020	47,924,606	(44,526,846)	7,490,745	-	10,888,505
Loss for the year	-	(3,915,067)	-	-	(3,915,067)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(3,915,067)	-	-	(3,915,067)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Shares issued during the year	12,845,721	-	-	(1,934,492)	10,911,229
Capital raising costs	(715,868)	-	-	-	(715,868)
Share-based payments	-	-	289,282	-	289,282
<b>Balance as at 30 June 2021</b>	<b>60,054,459</b>	<b>(48,441,913)</b>	<b>7,780,027</b>	<b>(1,934,492)</b>	<b>17,458,081</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

# Statement of Cash Flows

For the year ended 30 June 2022

		Full year ended 30/06/2022	Full year ended 30/06/2021
	Note	\$	\$
<b>Cash Flows from Operating Activities</b>			
Interest received		41,072	27,090
Interest paid	11(b)	(10,682)	(18,054)
Payments to suppliers and employees		(2,978,470)	(1,290,872)
Payments for research and development		(8,003,765)	(3,470,266)
Government R&D tax rebate and grants received		1,434,713	3,028,200
<b>Net cash outflow from operating activities</b>	8	<b>(9,517,132)</b>	<b>(1,723,902)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	10	(2,937)	(6,188)
<b>Net cash outflow from investing activities</b>		<b>(2,937)</b>	<b>(6,188)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares	14	13,322,499	10,911,229
Transaction costs associated with issue of shares	14	(831,289)	(715,868)
Principal repayment on leases	11(b)	(71,171)	(84,104)
<b>Net cash inflow from financing activities</b>		<b>12,420,039</b>	<b>10,111,257</b>
Net increase in cash and cash equivalents		2,899,970	8,381,167
Cash and cash equivalents at beginning of the year		13,421,653	5,040,486
Reclassify bank guarantee as cash and cash equivalents		35,266	-
Effect of movement in exchange rates on cash held		13,394	-
<b>Cash and cash equivalents at the end of the year</b>	8	<b>16,370,283</b>	<b>13,421,653</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

# Notes to the Financial Statements

For the year ended 30 June 2022

## 1. CORPORATE INFORMATION

The financial statements of Actinogen Medical Limited (Actinogen Medical or the Company) for the year ended 30 June 2022 were authorised in accordance with a resolution of Directors on 25 August 2022. Actinogen Medical is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The nature of operations and principal activities of the Company are described in the Directors' Report. The registered office of the Company is located at Suite 901, Level 9, 109 Pitt Street, Sydney, NSW, Australia.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated below. The financial statements of the Company are for the financial year ended 30 June 2022.

### (a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001. The financial statements have been prepared on a going concern basis. The financial statements are presented in Australian dollars.

### (b) Going concern basis

This financial report has been prepared on the going concern basis after taking into consideration the net loss after tax for the year ended 30 June 2022 of \$9,497,370 and the net cash outflows from operating activities of \$9,517,132. The going concern basis contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

In forming this view the Directors have taken into consideration the following:

- The Company has \$16,370,283 in cash and cash equivalents as at 30 June 2022. This amount does not include the proposed claim for the Research and Development Tax Incentive which is estimated to lead to a cash refund of \$3,640,082 (refer Note 9: other receivables and prepayments). Further, the Company is listed on the ASX and therefore has access to the Australian equity capital markets. Accordingly, the Directors consider that the Company maintains a reasonable expectation of being able to raise funding from the market as and when required, although it cannot determine in advance the terms upon which it may raise such funding.
- The Directors have confidence in the ability of Actinogen Medical to successfully continue development of its lead molecule, Xanamem, and eventually generate positive cash flows from operations and/or alliances. It will commence future trials including Part B of the XanaMIA trial in patients with Alzheimer's Disease and XanaCIDD trial in patients with Major Depressive Disorder.

### (c) COVID-19 pandemic

In March 2020, the World Health Organisation declared the outbreak of COVID-19 as a pandemic. The Company has recently completed its XanaMIA Part A trial and will soon commence new trials including the XanaMIA Part B Phase 2 trial in patients with either Mild Cognitive Impairment or early Alzheimer's Disease, and its XanaCIDD Phase 2 trial in patients with Depression. Continued outbreaks of COVID-19 may cause clinical trial disruption. There is uncertainty around the potential consequences of COVID-19 disruptions and as such the Company is unable to determine if such disruptions would have a material impact on its future clinical trials. All material developments in Actinogen's activities will be disclosed as usual in accordance with the Company's continuous disclosure obligations under the ASX Listing Rules.

### (d) Compliance with IFRS

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### (e) Historical cost convention

These financial statements have been prepared under the historical cost convention.

### (f) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

# Notes to the Financial Statements

For the year ended 30 June 2022

## (g) Plant & equipment

Each asset of plant and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Assets are depreciated from the date the asset is ready for use. Items of plant and equipment are depreciated using the diminishing value method over their estimated useful lives to the Company. The depreciation rates used for each class of asset for the current period are as follows:

- Computer Equipment 25% to 67%

An asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income when the asset is de-recognised. The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each balance date.

## (h) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value measures.

## (i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, and when indicators of impairment exist, individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually, or when indicators of impairment exist, to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Comprehensive Income when the asset is derecognised.

### (i) Research and development costs

Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. The Company assessed whether the above criteria had been met for the financial year ended 30 June 2022. The Company did not meet this criterion and as a consequence all research and development costs were expensed to profit and loss for the current year.

(ii) *Intellectual property*

The Company's intangible assets relate to intellectual property for upfront payments to purchase patents and licenses. The patents and licenses have been granted for a period of 20 years by the relevant government agency with the option of renewal at the end of this period. As a result, those patents and licenses are amortised on a straight-line basis over the period of the patent patents and license. The remaining life of the patents and licenses is 9 years. Refer to Note 12: Intangible Assets.

(j) **Government grants**

Research and development tax rebates are treated as a government grant. Government grants are recognised as income where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

(k) **Income tax**

The charge for current income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction and affects neither accounting or taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised, or liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(l) **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured using the projected unit credit valuation method to estimate future cash outflows to be made for those benefits discounted using the interest rate on high quality corporate bonds with terms to maturity approximating the terms of the liability.

(m) **Share-based payments**

The Company provides benefits to employees (including Directors) and consultants of the Company in the form of share-based payment transactions, whereby employees and consultants render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.



# Notes to the Financial Statements

For the year ended 30 June 2022

## **(n) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, bank overdrafts and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **(o) Interest income:**

Interest income is recorded using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument, or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Comprehensive Income.

## **(p) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## **(q) Contributed equity**

Ordinary issued share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

## **(r) Trade and other payables**

Liabilities for trade creditors and other amounts are subsequently carried at amortised cost after initial recognition at fair value. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

## **(s) Provisions**

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## **(t) Earnings per share**

### *Basic earnings per share*

Basic earnings per share is calculated by dividing the result attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## **(u) Financial assets**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. The Company recognises an allowance for expected credit losses (ECLs) for financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. Trade receivables are generally due for settlement within 30 days.

While the Company has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this Report, the Board has placed no requirement for collateral on existing debtors.

**(v) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

**(w) Leases**

*Right-of-use asset:*

The Company recognises a right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. A right-of-use asset is subject to impairment.

*Lease liabilities:*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

*Short-term leases and leases of low-value assets:*

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below USD\$5,000). Lease payments on short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

# Notes to the Financial Statements

For the year ended 30 June 2022

## (x) New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Company. These new standards and interpretations, and the status of the Company's assessment of impact on the Company, are set out below.

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2020-1	Amendments to AASBs – Classification of Liabilities as Current or Non-current	A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. The AASB recently issued amendments to AASB 101 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current.	1 January 2023	1 July 2023
AASB 2021-2	Amendments to AASB 108 – Definition of Accounting Estimates	The amendments to AASB 108 clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The distinction is necessary as their treatment and disclosure requirements are different. Critically, a change in an accounting estimate is applied prospectively whereas a change in an accounting policy is generally applied retrospectively. The new definition provides that 'Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.' The amendments explain that a change in an input or a measurement technique used to develop an accounting estimate is considered a change in an accounting estimate unless it is correcting a prior period error.	1 January 2023	1 July 2023
AASB 2021-28	Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements– Disclosure of Accounting Policies	The amendments to AASB 101 require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material10', 'significant' was not defined in Australian Accounting Standards. Leveraging the existing definition of material with additional guidance is expected to help preparers make more effective accounting policy disclosures. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material. Entity-specific accounting policy information is emphasised as being more useful than generic information or summaries of the requirements of Australian Accounting Standards. The amendments to AASB Practice Statement 2 supplement the amendments to AASB 101 by illustrating how the four-step materiality process can identify material accounting policy information.	1 January 2023	1 July 2023

The Company has not early adopted any other accounting standard, interpretation or amendment that has been issued but is not yet effective. The adoption of these standards, interpretations or amendments is not expected to have a material impact on the financial position or performance of the Company.

## 3. SEGMENT INFORMATION

The Company's sole operations are within the biotechnology industry within Australia. Given the nature of the Company, its size and current operations, the Company's management does not treat any part of the Company as a separate operating segment. Internal financial information used by the Company's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments. Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. All non-current assets are held in Australia and all income is derived in Australia.

#### 4. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise trade and other payables and lease liabilities. The Company's principal financial assets include receivables, and cash and short-term deposits.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board and senior management oversees the management of these risks however, the Company's overall risk in these areas is not significant enough to warrant a formalised specific risk management program. Risk management is carried out in their day-to-day functions as the overseers of the business.

Set out below is an overview of the financial instruments held by the Company as at 30 June 2022:

	Cash and cash equivalents \$	Financial assets / liabilities at amortised cost \$
<b>As at 30 June 2022</b>		
<b>Financial assets</b>		
Cash and cash equivalents	16,370,283	-
Other receivables and prepayments	-	328,261
Total current assets	16,370,283	328,261
<b>Total financial assets</b>	<b>16,370,283</b>	<b>328,261</b>
<b>Financial liabilities</b>		
Trade and other payables	-	1,308,381
Lease liabilities - current	-	78,337
Total current liabilities	-	1,386,718
Lease liabilities - non-current	-	86,933
Total non-current liabilities	-	86,933
<b>Total financial liabilities</b>	<b>-</b>	<b>1,473,651</b>
<b>Net exposure</b>	<b>16,370,283</b>	<b>(1,145,390)</b>

Set out below is an overview of the financial instruments held by the Company as at 30 June 2021:

	Cash and cash equivalents \$	Financial assets / liabilities at amortised cost \$
<b>As at 30 June 2021</b>		
<b>Financial assets</b>		
Cash and cash equivalents	13,456,919	-
Other receivables and prepayments	-	89,956
Total current assets	13,456,919	89,956
<b>Total financial assets</b>	<b>13,456,919</b>	<b>89,956</b>
<b>Financial liabilities</b>		
Trade and other payables	-	619,573
Lease liabilities - current	-	71,170
Total current liabilities	-	690,743
Lease liabilities - non-current	-	165,271
Total non-current liabilities	-	165,271
<b>Total financial liabilities</b>	<b>-</b>	<b>856,014</b>
<b>Net exposure</b>	<b>13,456,919</b>	<b>(766,058)</b>

# Notes to the Financial Statements

For the year ended 30 June 2022

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Market Risk

#### (i) Interest rate risk

Interest rate risk is the risk of loss to the Company arising from adverse changes in interest rates. The Company has no interest-bearing debt and is only exposed to interest rate risk in respect of amounts held in current, interest-bearing bank accounts and demand deposits. At 30 June 2022, the Company held \$15,832,202 (2021: \$13,265,921) in such accounts and deposits.

A 100 basis points decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable and possible change in interest rates. For each interest rate movement of 100 basis points lower, assuming all other variables were held constant, the Company's loss would increase by \$158,322 (2021: \$132,659).

#### Sensitivity analysis:

	Carrying amount \$	Interest rate risk	
		-1% Profit/Equity \$	+1% Profit/Equity \$
<b>30 June 2022</b>			
Financial Assets			
Cash and cash equivalents	15,832,202	(158,322)	158,322
<b>30 June 2021</b>			
Financial Assets			
Cash and cash equivalents	13,265,921	(132,659)	132,659

#### Variable rate instruments:

	As at 30/6/2022		As at 30/6/2021	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	1.19	15,832,202	0.21	13,265,921

### (b) Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and receivables. The maximum credit risk is the face value of these financial instruments. However, the Company considers the risk of non-recovery of these accounts to be minimal. The Company trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the Company's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Company does not have a significant exposure to bad debts. The Company has the following concentrations of credit risk:

#### (i) Cash

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Directors believe that there is negligible credit risk with the Company's cash and cash equivalents, as funds are held at call with National Australia Bank, a reputable Australian Banking institution.

#### (ii) Receivables

While the Company has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this Report, the Board has placed no requirement for collateral on existing debtors.

#### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial liabilities as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows. Surplus funds are generally only invested at call or in bank bills that are highly liquid and with maturities of less than six months.

##### (i) Financing arrangements

The Company does not have any financing arrangements (2021: None).

##### (ii) Maturities of financial liabilities

The Company's debt relates to trade and other payables, where payments are generally due within 30 days, and lease liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Less than 3 months \$	3 to 12 months \$	1 to 5 years \$	Total \$
<b>As at 30 June 2022</b>				
Trade and other payables	1,308,381	-	-	1,308,381
Lease liabilities	21,211	63,916	80,885	166,012
	<b>1,329,592</b>	<b>63,916</b>	<b>80,885</b>	<b>1,474,393</b>
<b>As at 30 June 2021</b>				
Trade and other payables	619,573	-	-	619,573
Lease liabilities	20,394	61,454	166,013	247,861
	<b>639,967</b>	<b>61,454</b>	<b>166,013</b>	<b>867,434</b>

##### (d) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Accounting standards require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2).
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying value of financial assets and financial liabilities, excluding lease liabilities, approximates their fair value as at 30 June 2022 and 30 June 2021 given the nature of the financial assets and liabilities.



# Notes to the Financial Statements

For the year ended 30 June 2022

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

- Key estimates: Share-based payments

The Company initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21.

- Key estimates: Impairment of intangible assets

The Company assesses impairment for intangible assets at each reporting date or when an impairment indicator exists, by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include product, technology, economic and political environments and future expectations. If an impairment indicator exists, the recoverable amount of the asset is determined. For further information on intangible assets refer to Note 2(i).

- Significant judgement: Research and development tax rebate

In line with accounting policy 2(j) research and development tax rebates are treated as government grants and are recognised as income where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. The Company applies judgment in assessing that all attached conditions will be complied with based on the nature of the expenditure incurred and the activities of the Company undertaken during the year.

- Significant judgement in determining the lease term of contracts with renewal options:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has the option under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew and renewal periods (e.g. a change in business strategy).

## 6. OTHER INCOME AND EXPENSES

	Full year ended 30/06/2022 \$	Full year ended 30/06/2021 \$
<b>Income</b>		
Interest income	41,072	27,090
<b>Other income</b>		
Government grants	-	144,656
R&D tax rebate (current year)	3,640,082	1,438,571
R&D tax rebate (prior year deferred income)	-	400,845
Total other income	3,640,082	1,984,072
<b>Total income</b>	<b>3,681,154</b>	<b>2,011,162</b>
<b>Expenses</b>		
<u>Research and development costs:</u>		
Laboratory & clinical trial expenses	7,462,503	1,711,142
Regulatory & clinical development consultants	545,496	421,561
Other expenses	206,848	273,534
<b>Total research and development costs</b>	<b>8,214,847</b>	<b>2,406,237</b>

## 7. INCOME TAX

	Full year ended 30/06/2022 \$	Full year ended 30/06/2021 \$
<b>Reconciliation of operating loss to prima facie income tax expense</b>		
Operating loss before income tax	(9,497,370)	(3,915,067)
Tax benefit at the Australian tax rate of 25% (2021: 26%)	(2,374,343)	(1,017,917)
Tax effect of amounts that are not deductible / taxable in calculating taxable income:		
Non-deductible expenses	2,437	1,598
ATO interest income	-	-
ATO cash flow boost	-	13,000
Share-based payments	321,989	75,213
Research and development	1,181,981	485,807
Realised foreign exchange gain/(loss)	96	-
Deferred income tax asset not brought to account	867,840	442,299
Income tax expense	-	-
<b>Tax losses</b>		
Unused tax losses for which no deferred tax asset has been recognised	19,825,165	15,692,749
Potential tax benefit @ 25% (2021: 26%)	<b>4,956,291</b>	<b>4,080,115</b>
<b>Unrecognised temporary differences</b>		
Temporary differences for which deferred tax assets have not been recognised.		
- Provisions and accruals	140,323	125,325
- Intangible assets	1,415,995	1,103,249
- Capital raising costs	1,118,593	889,017
- Patent application fees	-	25,990
- Legal expenses	75,683	19,202
- Right of use adjustments	8,830	-
- Unrealised foreign exchange gain	(13,428)	-
- Fixed assets	(12,531)	(16,509)
	2,733,465	2,146,274
Unrecognised deferred tax asset relating to the above temporary differences @ 25% (2021: 26%)	<b>683,366</b>	<b>558,031</b>

The tax benefit of tax losses and other deductible temporary differences will only arise in the future where the Company derives sufficient net taxable income and is able to satisfy the carried forward tax loss recoupment rules. The Directors believe that the likelihood of the Company achieving sufficient taxable income in the future is currently not probable and the tax benefit of these tax losses and other temporary differences have not been recognised.

## 8. CASH AND CASH EQUIVALENTS

	As at 30/06/2022 \$	As at 30/06/2021 \$
Cash at bank and on hand	4,270,017	6,356,653
Short term deposits	12,100,266	7,100,266
<b>Total cash and cash equivalents</b>	<b>16,370,283</b>	<b>13,456,919</b>

During the year ended 30 June 2022, the Company received interest revenue through holding several interest-bearing term deposit accounts between 30 and 90 day terms. The Company is expecting to receive a research and development tax incentive estimated at \$3,640,082 for eligible expenditure incurred during the year ended 30 June 2022. This has been recognised as a receivable at year end. Refer to Note 9.

# Notes to the Financial Statements

For the year ended 30 June 2022

## 8. CASH AND CASH EQUIVALENTS (CONTINUED)

### Reconciliation of net cash flows from operating activities

	Full year ended 30/06/2022	Full year ended 30/06/2021
	\$	\$
Loss for the year	(9,497,370)	(3,915,067)
<u>Non cash items:</u>		
Depreciation (computer equipment)	6,915	8,220
Depreciation (lease: office rental)	81,008	65,728
Amortisation expense	312,746	312,747
Share-based payment expense	1,287,955	289,282
Unrealised foreign currency gain	(13,394)	-
<u>Change in assets and liabilities:</u>		
(Increase)/decrease in trade and other receivables	(2,412,317)	1,489,106
Decrease in trade and other payables	688,809	110,298
(Decrease)/increase in provisions	28,516	(84,216)
<b>Net cash outflow from operating activities</b>	<b>(9,517,132)</b>	<b>(1,723,902)</b>

### Non-cash financing and investing activities:

During the year, the Company issued 36,650,000 ordinary shares to Non-Executive Directors, employees and contractors by way of provision of a limited recourse loan. Given that these shares are considered to be "in-substance options" or "rights" under Generally Accepted Accounting Principles, no loan amount is recognised in the financial statements. Refer to section 11.3(C)(iii) of the Remuneration Report for further information. There were no other non-cash financing and investing activities that occurred during the year ended 30 June 2022.

### Financing facilities available:

As at 30 June 2022, the Company had no financing facilities available (2021: None). For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

### Interest rate risk exposure:

The Company's exposure to interest rate risk is discussed in Note 4.

### Credit risk exposure:

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

## 9. OTHER RECEIVABLES AND PREPAYMENTS

None of the other receivables and prepayments are impaired. Due to their short-term nature, carrying amounts approximate their fair value.

	As at 30/06/2022	As at 30/06/2021
	\$	\$
Prepaid insurance	104,572	89,956
Goods and services tax receivable	78,296	105,795
Research and development tax rebate receivable	3,640,082	1,438,571
Other receivables	223,689	-
<b>Total other receivables and prepayments</b>	<b>4,046,639</b>	<b>1,634,322</b>

## 10. PROPERTY, PLANT AND EQUIPMENT

	As at 30/06/2022 \$	As at 30/06/2021 \$
At cost	31,884	28,947
Accumulated depreciation	(19,353)	(12,438)
<b>Total property, plant and equipment</b>	<b>12,531</b>	<b>16,509</b>
<u>Movements during the year</u>		
	Computer Equipment \$	Total \$
Opening balance at 1 July 2020	18,541	18,541
Acquisitions	6,188	6,188
Depreciation	(8,220)	(8,220)
<b>Closing balance at 30 June 2021</b>	<b>16,509</b>	<b>16,509</b>
Opening balance at 1 July 2021	16,509	16,509
Acquisitions	2,937	2,937
Depreciation	(6,915)	(6,915)
<b>Closing balance at 30 June 2022</b>	<b>12,531</b>	<b>12,531</b>

## 11. RIGHT-OF-USE ASSET & LEASE LIABILITY

Set out below are the amounts recognised in the statement of comprehensive loss for the year ended 30 June 2022:

	Full year ended 30/06/2022 \$	Full year ended 30/06/2021 \$
Depreciation expense on right-of-use asset	81,008	93,937
Interest expense on lease liabilities	10,682	18,054
Rent expense - short-term leases	1,560	1,560
<b>Total amounts recognised in profit or loss</b>	<b>93,250</b>	<b>113,551</b>

Set out below are the carrying amounts of the Company's assets and lease liabilities recognised in the statement of financial position and the movements during the year ended 30 June 2022:

	Right-of-use Assets Leased Premises \$	Lease Liability Leased Premises \$
As at 1 July 2020	372,501	389,870
Adjustment to right-of-use asset due to revised lease terms	(69,325)	(69,325)
Depreciation expense (a)	(93,937)	-
Adjustment to depreciation expense due to revised lease terms	28,209	-
Interest expense	-	18,054
Payments	-	(102,158)
<b>As at 30 June 2021</b>	<b>237,448</b>	<b>236,441</b>
As at 1 July 2021	237,448	236,441
Depreciation expense	(81,008)	-
Interest expense (b)	-	10,682
Payments (b)	-	(81,853)
<b>As at 30 June 2022 (c)</b>	<b>156,440</b>	<b>165,270</b>

- (a) In the prior year, the depreciation expense shown on the statement of comprehensive income totals \$65,728. This amount comprises the depreciation expense of (\$93,937) plus an adjustment of \$28,209 which recognises the new terms that took effect from 1 June 2021.
- (b) The lease payments made during the year totalled \$81,853 comprising \$71,171 which represents the principal component and \$10,682 which represents the interest expense component.
- (c) Of the total lease liability amounting to \$165,270, \$78,337 is current, and \$86,933 is non-current.

# Notes to the Financial Statements

For the year ended 30 June 2022

## 12. INTANGIBLE ASSETS

	As at 30/06/2022 \$	As at 30/06/2021 \$
At cost	5,756,743	5,756,743
Accumulated amortisation and impairment loss	(3,036,285)	(2,723,539)
<b>Total intangible assets</b>	<b>2,720,458</b>	<b>3,033,204</b>

Movements during the year:

	Intellectual Property \$
Opening balance at 1 July 2020	3,345,951
Amortisation expense	(312,747)
<b>Closing balance at 30 June 2021</b>	<b>3,033,204</b>
Opening balance at 1 July 2021	3,033,204
Amortisation expense	(312,746)
<b>Closing balance at 30 June 2022</b>	<b>2,720,458</b>

### Intellectual property

On 8 December 2014, Actinogen Medical entered into an Assignment of Licence Agreement with Corticrine Limited for the assignment of all of Corticrine's interest in, to and under the Licence Agreement to Actinogen Medical and the assumption by the Company of all of Corticrine's obligations in respect of such Assignment. When the Company acquired the intellectual property from Corticrine, this comprised patents and licences, as well as the value of research performed to date, and the progression of testing to human trials. The remaining life of the licence agreement is 9 years. The intellectual property is supported by several patent families, the most recent of which will expire in 2031, with the composition of matter patents in most key markets extendable up to 2036. The patent useful life has been aligned to the patent term and as a result, those patents are amortised on a straight-line basis over the period of the patent.

As at 30 June 2022, the Company assessed whether any indicators of impairment reversal were present that suggested that the impairment loss charged in a prior year may require full or partial reversal. The Company determined that an impairment reversal indicator was present, however after assessing various internal and external indicators, the Company determined that no impairment reversal was necessary in the current year.

### Subsequent patent applications (not included in Intangible Assets)

Actinogen continues to proactively extend its IP portfolio. However, the above amount for Intangible Assets does not include subsequent patent applications. During the year Actinogen did not file any new worldwide non-provisional patent applications for its lead drug, Xanamem.

## 13. TRADE AND OTHER PAYABLES

	As at 30/06/2022 \$	As at 30/06/2021 \$
Trade payables	898,739	392,187
Accruals and other payables	91,395	54,903
Goods and services tax payable	-	1,116
Provision for payroll tax	13,663	10,620
Accrued employee bonuses	264,291	79,040
Employee tax liabilities	40,293	81,707
<b>Total trade and other payables</b>	<b>1,308,381</b>	<b>619,573</b>

Trade and other payables are non-interest-bearing liabilities stated at amortised cost and settled within 30 days.

## 14. CONTRIBUTED EQUITY

### (a) Fully paid ordinary shares

	As at 30/06/2022 \$	As at 30/06/2021 \$
Fully paid ordinary shares	81,883,378	64,163,878
Capital raising costs	(4,940,708)	(4,109,419)
<b>Total contributed equity</b>	<b>76,942,670</b>	<b>60,054,459</b>

As at 30 June 2022 there were 1,795,643,817 ordinary shares on issue. Ordinary shares entitle the holder to participate in dividends and the winding up of the Company in proportion to the number and amount paid on the share held. Of the 1,795,643,817 ordinary shares on issue, 84,762,300 are Loan Shares of which 36,400,000 were issued to various directors, employees and contractors during the year. Although they are issued ordinary shares that carry voting and dividend rights they have been accounted for as "in-substance options". Refer to the Directors' Report, specifically section 3(C)(b)(iii) of the Remuneration Report for further information on these loan shares.

Movement of fully paid ordinary shares during the year were as follows:

	Date	Quantity	Unit Price \$	Total \$
Opening balance at 1 July 2020		1,116,231,320		47,924,606
Proceeds from Placement	22/10/2020	272,727,273	0.022	6,000,000
Proceeds from Rights Issue	17/11/2020	61,828,576	0.022	1,360,229
Capital raising costs				(511,284)
Balance as at 31 December 2020		1,450,787,169		54,773,551
Proceeds from Shortfall Placement	10/02/2021	161,409,078	0.022	3,551,000
Capital raising costs				(204,584)
Loan Shares	15/03/2021	24,181,150	0.035	846,340
Loan Shares	15/03/2021	24,181,150	0.045	1,088,152
<b>Balance at 30 June 2021</b>		<b>1,660,558,547</b>		<b>60,054,459</b>
Issue of employee loan shares	16/09/2021	11,900,000	0.110	1,309,000
Institutional Placement	1/12/2021	88,091,659	0.135	11,892,374
Issue of director loan shares	18/11/2021	4,500,000	0.200	900,000
Share Purchase Plan	20/12/2021	9,796,389	0.135	1,322,501
Capital raising costs	1/01/2022			(831,289)
Issue of employee loan shares	13/01/2022	4,000,000	0.195	780,000
Share Purchase Plan	6/04/2022	797,222	0.135	107,625
Issue of employee loan shares	24/05/2022	16,000,000	0.088	1,408,000
<b>Balance at 30 June 2022</b>		<b>1,795,643,817</b>		<b>76,942,670</b>

### (b) Reserve shares

Reserve shares ('Loan shares') are ordinary shares that have historically been accounted for as "in-substance options". No loan amount is recognised in the financial statements. As at 30 June 2022, the following reserve shares were on issue.

	Date	Quantity	Unit Price \$	Total \$
Issue of CEO/Managing Director loan shares	15/03/2021	(24,181,150)	0.035	(846,340)
Issue of CEO/Managing Director loan shares	15/03/2021	(24,181,150)	0.045	(1,088,152)
<b>Balance at 30 June 2021</b>		<b>(48,362,300)</b>		<b>(1,934,492)</b>
Issue of employee loan shares	16/09/2021	(11,900,000)	0.110	(1,309,000)
Issue of non-executive Director loan shares	18/11/2021	(4,500,000)	0.200	(900,000)
Issue of employee loan shares	13/01/2022	(4,000,000)	0.195	(780,000)
Issue of employee loan shares	24/05/2022	(16,000,000)	0.088	(1,408,000)
<b>Balance at 30 June 2022</b>		<b>(84,762,300)</b>		<b>(6,331,492)</b>

Refer to the Directors' Report, specifically section 11.3(C)(b) of the Remuneration Report for information on these loan shares.



# Notes to the Financial Statements

For the year ended 30 June 2022

## 14. CONTRIBUTED EQUITY (CONTINUED)

(c) Unissued ordinary shares under option

Quantity	Type of Option	Grant Date	Exercise Price	Expiry Date
1,500,000	Director Options	1/12/2017	\$0.100	1/12/2022
15,175,000	Director Options	28/11/2018	\$0.085	27/11/2023
5,783,333	Employee Options	12/12/2018	\$0.085	12/12/2023
5,000,000	Employee Options	1/02/2019	\$0.093	1/02/2024
3,000,000	Director Options	4/04/2019	\$0.100	4/04/2024
5,000,000	Director Options	24/03/2017	\$0.100	24/03/2025
1,600,000	Employee Options	28/09/2020	\$0.046	27/09/2025
<b>37,058,333</b>	<b>Total unissued ordinary shares under option</b>			

During the year, and up to the date of this Report, no options were issued, expired, lapsed or forfeited. No option holder has any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

(d) Terms and Conditions of Issued Capital

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

(e) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so it can provide returns to shareholders and benefits to other stakeholders. The Company considers capital to consist of cash reserves on hand. Consistent with the Company's objective, it manages working capital by issuing new shares, investing in and selling assets, submitting applications for research and development rebates to the Australian Tax Office or modifying its planned research and development program as required. Given the stage of the Company's development there are no formal targets set for return on capital. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the ASX and receipt of Research and Development rebates from the Australian Tax Office.

## 15. RESERVES

Reserves are made up of the option reserve. The option reserve records items recognised as share-based payment (SBP) expenses for employee and Director options. Details of the movement in reserves is shown below.

	As at 30/06/2022 \$	As at 30/06/2021 \$
Option reserve	9,067,982	7,780,027
<b>Total reserves</b>	<b>9,067,982</b>	<b>7,780,027</b>
<b>Movements during the year:</b>	<b>Year ended 30/06/2022 \$</b>	<b>Year ended 30/06/2021 \$</b>
Balance at the beginning of the period	7,780,027	7,490,745
Share-based payment expense on Director options	25,745	86,685
Share-based payment expense on Employee options	34,459	59,688
Share-based payment expense on Employee loan shares	580,749	-
Share-based payment expense on Director loan shares	647,002	142,909
<b>Balance at end of period</b>	<b>9,067,982</b>	<b>7,780,027</b>

Total share-based payment expenses recognised during the year amounted to \$1,287,955. For further information on share-based payments refer to Note 21. For further information on loan shares and unissued ordinary shares under option refer to Note 14.

## 16. REMUNERATION OF AUDITOR

	Full year ended 30/06/2022 \$	Full year ended 30/06/2021 \$
Amounts paid or payable to Ernst & Young for:		
An audit or review of the financial statements of the entity	69,500	43,265
Other assurance services	-	-
	<b>69,500</b>	<b>43,265</b>

## 17. LOSSES PER SHARE

	Full year ended 30/06/2022	Full year ended 30/06/2021
Net loss used in calculating loss per share (\$)	(9,497,370)	(3,915,067)
Weighted number of ordinary shares used as the denominator ('000)	1,717,092	1,405,161
Basic and diluted loss per share from continuing operations attributable to the ordinary shareholders of the Company (cents)	(0.55)	(0.28)

As at 30 June 2022, there were 37,058,333 (2021: 37,058,333) unissued ordinary shares under option and 84,762,300 loan shares (2021: 48,362,300) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future but are anti-dilutive for the current period presented. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

## 18. COMMITMENTS AND CONTINGENCIES

The Directors are not aware of any material commitments, contingent liabilities or assets that exist at 30 June 2022 other than what is outlined below.

- Drug product manufacturing contract with as Metrics Contract Services, with the balance remaining (not already included in "Trade and other payables" within these accounts – refer note 13) to be paid of approximately US\$480,000 (2021: Nil).

## 19. RELATED PARTY TRANSACTIONS

There were no related party transactions that occurred during the year other than transactions with KMP as set out in Note 20.

## 20. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel (KMP) of the Company and their compensation during the year are listed below:

Name	Position	Current / Resigned
Dr Geoffrey Brooke	Non-Executive Chairman	Current
Dr Steven Gourlay	Managing Director / Chief Executive Officer	Current
Dr George Morstyn	Non-Executive Director	Current
Mr Malcolm McComas	Non-Executive Director	Current
Ms Tamara Miller	Senior Vice President - Product Development	Current
Mr Jeff Carter	Chief Financial Officer	Current
Prof Paul Rolan	Chief Medical Officer	Current

	Full year ended 30/06/2022 \$	Full year ended 30/06/2021 \$
Short-term employee benefits	1,233,828	982,540
Termination benefits	-	238,014
Post-employment benefits	56,725	56,820
Long-term benefits	50,880	46,743
Share-based payments	897,681	258,263
	<b>2,239,114</b>	<b>1,582,380</b>

The detailed remuneration disclosures and relevant interest of each KMP in fully paid ordinary shares and options of the Company are provided in the audited Remuneration Report on pages 24 to 35.

# Notes to the Financial Statements

For the year ended 30 June 2022

## 21. SHARE-BASED PAYMENTS

The table below summarises movements in share-based payments (SBP) during the year and assumptions used in valuing SBP in prior periods and the current financial year:

Type of SBP	Vesting Criteria	Quantity as at 1 July 2021	Quantity issued or (lapsed) during the year	Quantity as at 30 June 2022	Grant Date	Expiry Date	Expected Volatility	Risk-free Interest Rate	Fair value per option
<b>Options</b>									
Director options	(a)	5,000,000	-	5,000,000	24/03/2017	24/03/2025	100%	2.61%	\$0.049
Director options	(a)	1,500,000	-	1,500,000	18/01/2018	1/12/2022	60%	2.44%	\$0.013
Director options	(a)	15,175,000	-	15,175,000	28/11/2018	27/11/2023	54%	2.29%	\$0.014
Employee options	(b)	5,783,333	-	5,783,333	12/12/2018	12/12/2023	54%	2.15%	\$0.016
Employee options	(c)	5,000,000	-	5,000,000	1/02/2019	1/02/2024	54%	1.83%	\$0.019
Director options	(a)	3,000,000	-	3,000,000	4/04/2019	4/04/2024	49%	1.50%	\$0.014
Employee options	(d)	1,600,000	-	1,600,000	28/09/2020	27/09/2025	60%	0.32%	\$0.009
<b>Total options</b>		<b>37,058,333</b>	<b>-</b>	<b>37,058,333</b>					
<b>Loan shares</b>									
Loan shares	(e)	48,362,300	-	48,362,300	15/03/2021	15/03/2026	80%	0.71%	\$0.015
Loan shares	(f)	-	11,900,000	11,900,000	16/09/2021	16/09/2026	100%	0.62%	\$0.064
Loan shares	(g)	-	4,500,000	4,500,000	18/11/2021	18/11/2026	100%	1.38%	\$0.119
Loan shares	(f)	-	4,000,000	4,000,000	13/01/2022	13/01/2027	100%	1.47%	\$0.111
Loan shares	(f)	-	16,000,000	16,000,000	24/05/2022	24/05/2027	100%	3.04%	\$0.052
<b>Total loan shares</b>		<b>48,362,300</b>	<b>36,400,000</b>	<b>84,762,300</b>					
<b>Total SBP on issue</b>		<b>85,420,633</b>	<b>36,400,000</b>	<b>121,820,633</b>					

Vesting Criteria:

- Director Options issued outlined above have fully vested. These options were issued to vest over a period of three years from the date of grant and were subject to continuous service to the Company by each Non-Executive Director during the period from the date of grant up to and including the applicable vesting dates. While there were no performance conditions attached to these Director Options, the awards are reward for fulfilling the role of Non-Executive Director of the Company and to provide adequate incentive for continued service to the Company.
- Employee options issued under an Employee Option Plan to various employees to vest quarterly over a period of 3 years from Grant Date, subject to continuous employment with the Company during the period from the date of grant up to and including the applicable vesting dates. As at 30 June 2022, these options have fully vested.
- Employee options issued under an Employee Option Plan to a consultant whereby 500,000 options have no vesting conditions attached, 1.5 million options vesting is conditional upon execution of the first term sheet which is substantially associated with a patterning deal; and 3 million options is conditional upon execution of the first commercial agreement which is substantially associated with a deal (option, licence, company acquisition or other arrangement).
- Employee options issued under an Employee Option Plan to the Chief Financial Officer whereby one-third vest 12 months from Grant Date, and the balance vest in equal quarterly increments over the remaining 24 months.
- Loan Shares issued to the Chief Executive Officer whereby one-quarter vest 12 months from Grant Date and the remainder vest in equal monthly increments over the remaining 24 months.
- Loan Shares issued to various employees and a consultant whereby one-quarter vest 12 months from Grant Date and the remainder vest in equal monthly increments over the remaining 24 months.
- Loan Shares issued to Non-Executive Directors whereby one-third vest 12 months from Grant Date and the remainder vest in equal quarterly increments over the remaining 24 months.

In all instances, Loan Shares were issued under a Loan Share Plan with vesting conditions attached whereby there must be continuity of employment to receive the vesting benefits. While there are no performance conditions attached to these loan shares, the awards are reward for fulfilling their assigned role within the Company and to provide adequate incentive for continued service to the Company.

## 21. SHARE-BASED PAYMENTS (CONTINUED)

Common to all classes of share-based payments on issue are the following factors and assumptions:

- The fair value of options granted have been valued using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. Where vesting conditions are applicable, they are expensed over the vesting period.
- The assumed dividend payable during the term of the Options is deemed to be nil.
- A volatility of the share price fluctuation was calculated by considering the historical movement of the share price over a period of time as well factoring market conditions of its competitors to predict the distribution of relative share performance.
- The exercise price of the share options is equal to the market price of the underlying shares on the date of grant.
- The Company does not have a past practice of cash settlement or cash settlement alternatives for these awards.

The table below summarises the options on issue, including loan shares that are in substance options, and the movements in share-based payments during the year as at 30 June 2022. There were no SBP that lapsed during the year.

Type of SBP	Quantity on issue	Total SBP valuation	Opening value SBP expense as at 1 July 2021	Value recognised during the year	Closing value of SBP expense as at 30 June 2022	Value to be recognised in future years
<b>Options</b>						
Director options	5,000,000	\$ 245,286	\$ 245,286	\$ -	\$ 245,286	\$ -
Director options	1,500,000	\$ 19,350	\$ 19,350	\$ -	\$ 19,350	\$ -
Director options	15,175,000	\$ 215,485	\$ 200,338	\$ 15,147	\$ 215,485	\$ -
Employee options	5,783,333	\$ 91,377	\$ 76,367	\$ 15,010	\$ 91,377	\$ -
Employee options	5,000,000	\$ 92,500	\$ 70,429	\$ 13,866	\$ 84,295	\$ 8,205
Director options	3,000,000	\$ 42,396	\$ 31,797	\$ 10,599	\$ 42,396	\$ -
Employee options	1,600,000	\$ 14,948	\$ 7,603	\$ 5,583	\$ 13,186	\$ 1,762
<b>Total</b>	<b>37,058,333</b>	<b>\$ 721,342</b>	<b>\$ 651,170</b>	<b>\$ 60,205</b>	<b>\$ 711,375</b>	<b>\$ 9,967</b>
<b>Loan shares</b>						
Loan shares	48,362,300	\$ 733,990	\$ 142,909	\$ 426,070	\$ 568,980	\$ 165,010
Loan shares	11,900,000	\$ 764,395	\$ -	\$ 392,633	\$ 392,633	\$ 371,762
Loan shares	4,500,000	\$ 534,646	\$ -	\$ 220,932	\$ 220,932	\$ 313,714
Loan shares	4,000,000	\$ 443,577	\$ -	\$ 133,421	\$ 133,421	\$ 310,155
Loan shares	16,000,000	\$ 827,144	\$ -	\$ 54,694	\$ 54,694	\$ 772,450
<b>Total</b>	<b>84,762,300</b>	<b>\$ 3,303,752</b>	<b>\$ 142,909</b>	<b>\$ 1,227,750</b>	<b>\$ 1,370,659</b>	<b>\$ 1,933,091</b>
<b>Total SBP</b>	<b>121,820,633</b>	<b>\$ 4,025,094</b>	<b>\$ 794,079</b>	<b>\$ 1,287,955</b>	<b>\$ 2,082,034</b>	<b>\$ 1,943,058</b>

# Directors' Declaration

In the Directors' opinion:

1. The Financial Statements and Notes set out on pages 39 to 61, are in accordance with the *Corporations Act 2001* including:
  - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements,
  - (b) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date,
2. The remuneration disclosure included in the audited Remuneration Report in the Directors' Report complies with Section 300A of the *Corporations Act 2001*.
3. The Directors have been given the declaration by the Managing Director and Chief Financial Officer (or equivalent) as required by section 295A of the *Corporations Act 2001*.
4. The Company has included in the Notes to the Financial Statements an explicit and unreserved statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Dr Steven Gourlay  
Managing Director  
Sydney, New South Wales  
25 August 2022

# Independent Auditor's Report



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## Independent auditor's report to the members of Actinogen Medical Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Actinogen Medical Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matter described below to be the key audit matter to be communicated in our report.

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# Independent Auditor's Report (continued)



We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

1. Research and development rebate

Why significant	How our audit addressed the key audit matter
<p>The Company has recognised a rebate from the Australian Taxation Office (ATO) for eligible Research &amp; Development (R&amp;D) expenditure (R&amp;D rebate) relating to its ongoing research activities for the development of Xanamem.</p> <p>Included in other receivables and prepayments on the statement of financial position and in Note 9 of the financial report is an amount for \$3.64 million related to the R&amp;D rebate calculated as receivable for the year ended 30 June 2022.</p> <p>Due to judgment involved in determining whether expenditure incurred in R&amp;D activities meets the eligibility criteria to qualify for inclusion in the R&amp;D rebate calculation and the significance of this source of cash inflow for the Company, we considered this to be a key audit matter.</p>	<p>We involved our R&amp;D taxation specialists to assess the eligibility of expenditure included in the R&amp;D claim and the overall appropriateness of the R&amp;D rebate calculated by the Company's external expert.</p> <p>We evaluated the qualifications, competency and objectivity of the Company's external expert.</p> <p>We assessed the appropriateness of the Company's accounting treatment of the R&amp;D rebate under Australian Accounting Standard - AASB 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>.</p> <p>We assessed the adequacy of the disclosures in Note 9 to the financial report.</p>

Information other than the financial report and auditor's report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

# Independent Auditor's Report (continued)



4

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the audit of the remuneration report

### Opinion on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of the Company for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized signature in black ink, appearing to read 'Ernst &amp; Young'.

Ernst & Young

A stylized signature in black ink, appearing to read 'Pierre Dreyer'.

Pierre Dreyer  
Partner  
Perth  
25 August 2022

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# Shareholder Information

## Substantial shareholders:

The following substantial shareholders have lodged notices with the company as at 19 August 2022:

Holders	Shares	Percentage of Issued Capital
BVF Partners L.P. on its own behalf and on behalf of BVF Inc., Mark N Lampert, Biotechnology Value Fund, L.P.; and Biotechnology Value Fund II, L.P.	247,334,680	13.77%

Distribution of ordinary shareholders as at 19 August 2022

Range of Holding	Holders	Shares
1-1,000	109	13,442
1,001-5,000	304	1,129,952
5,001-10,000	582	4,787,664
10,001 - 100,000	2,342	99,470,871
100,001 – over	1,474	1,690,491,888
<b>Total</b>	<b>4,811</b>	<b>1,795,893,817</b>
Shareholders with less than a marketable parcel	545	

**Voting Rights:** Each fully paid ordinary share carries voting rights of one vote per share. No voting rights attach to unlisted options.

## Twenty Largest holders of quoted ordinary shares as at 19 August 2022

	Number of Shares	Percentage of Issued Capital
HSBC Custody Nominees (Australia) Limited	262,689,970	14.63%
Dr Steven Gourlay	48,362,300	2.69%
Edinburgh Technology Fund Limited	48,147,864	2.68%
JSC Wealth Management Pty Ltd	44,655,962	2.49%
Tisia Nominees Pty Ltd <Henderson Family A/C>	33,440,621	1.86%
Citicorp Nominees Pty Limited	26,916,130	1.14%
Mr James Murch & Mrs Catherine Murch <MINJAL Super Fund A/C>	20,500,000	1.14%
Garnsworthy Pension Fund Pty Ltd <Garnsworthy Pension Fund A/C>	19,000,000	1.06%
SG Gourlay Nominees Pty Ltd <SF Gourlay Family A/C>	15,797,222	0.88%
Amber Court Nominees Pty Ltd <Min Min Light A/C>	15,023,401	0.84%
Iral Pty Ltd <IRAL A/C>	15,000,000	0.84%
Mrs Gillian Karen Nes & Mrs Ronald Nes <GIRO S/F A/C>	14,700,000	0.82%
Big Eater Pty Ltd <Brigitte Smith Family A/C>	12,999,659	0.72%
John Dahlsen Superannuation Fund Pty Ltd	12,200,000	0.68%
Brazil Farming Pty Ltd	12,000,000	0.67%
Double Jay Group Holdings Pty Ltd <Kimberley S/F A/C>	11,475,253	0.64%
HSBC Custody Nominees (Australia) Limited – A/C 2	11,466,402	0.64%
Rickenbacker Capital Investments Pty Ltd	10,840,741	0.60%
Kaleidoscope Holdings Pty Ltd <Kaleidoscope Super A/C>	10,800,000	0.60%
Oaktone Nominees Pty Ltd <Grist Investment A/C>	10,500,000	0.58%
<b>TOTAL</b>	<b>656,515,525</b>	<b>36.56%</b>

# Shareholder Information (continued)

## Unquoted Securities as at 19 August 2022

1. There were 1,500,000 unlisted options exercisable at \$0.10 each and expiring on 1 December 2022 held by one holder, on issue. Details of the holders holding more than 20% are outlined below:

	Number of Options	Percentage
George Morstyn	1,500,000	100.00%

2. There were 15,175,000 unlisted options exercisable at \$0.085 each and expiring on 27 November 2023 held by three holders, on issue. Details of the holders holding more than 20% are outlined below::

	Number of Options	Percentage
John William Ketelbey	8,775,000	57.83%
Geoffrey Edward Duncan Brooke	4,900,000	32.29%

3. There were 5,783,333 unlisted employee share option plan options exercisable at \$0.085 each and expiring on 12 December 2023 held by six holders, on issue.

4. There were 5,000,000 unlisted options exercisable at \$0.093 each and expiring on 1 February 2024 held by one holder, on issue. Details of the holders holding more than 20% are outlined below::

	Number of Options	Percentage
Bio-Link Australia Pty Ltd	5,000,000	100.00%

5. There were 3,000,000 unlisted options exercisable at \$0.10 each and expiring on 4 April 2024 held by one holder, on issue. Details of the holders holding more than 20% are outlined below:

	Number of Options	Percentage
Malcolm John McComas	3,000,000	100.00%

6. There were 5,000,000 unlisted options exercisable at \$0.10 each and expiring on 24 March 2025 held by one holder, on issue. Details of the holders holding more than 20% are outlined below:

	Number of Options	Percentage
Geoffrey Edward Duncan Brooke	5,000,000	100.00%

7. There were 1,600,000 unlisted employee share option plan options exercisable at \$0.046 each and expiring on 27 September 2025 held by one holder, on issue.

## Restricted Securities

The Company has no securities on issue that are subject to either ASX or voluntary escrow.

## On-Market Buy-Back

There is no current on-market buy back in place.

The Corporate Governance Statement is not included as part of this Annual Report but can be referenced via the Company's website.

# Corporate Directory

## Board of Directors

Dr Geoffrey Brooke – Non-Executive Chairman  
Dr Steven Gourlay – Managing Director & Chief Executive Officer  
Dr George Morstyn – Non-Executive Director  
Mr Malcolm McComas – Non-Executive Director

## Company Secretary

Mr Peter Webse

## Investor Relations

Mr Michael Roberts

## Principal Place of Business / Registered Office

Suite 901  
Level 9  
109 Pitt Street  
Sydney NSW 2000

## Lawyers

K&L Gates  
Level 25 South Tower  
525 Collins Street  
Melbourne VIC 3000

## Share Register

Automic Group  
Level 5  
126 Phillip Street  
Sydney NSW 2000

## Auditors

Ernst & Young  
Australia

Actinogen Medical Limited shares  
are listed on the Australian Securities  
Exchange ('ASX').  
ASX Code: ACW

## AGM details

Actinogen Medical Limited

ABN: 14 086 778 476

### Annual General Meeting

Due to health and safety priorities and the ongoing COVID-19 pandemic, this year's Annual General Meeting will be in a 'hybrid' format, allowing both in person and virtual attendance and voting.

**Date:** 16 November 2022

Meeting time and details to be advised.

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