
Appendix 4E

1. Company details

Name of entity

ACTINOGEN MEDICAL LIMITED

ABN or equivalent company
reference

14 086 778 476

Financial year ended
('reporting period')

30 June 2018

Financial year ended
('previous corresponding
period')

30 June 2017

2. Results for announcement to the market

	30/06/2018	30/06/2017	% Change	Amount change (\$)
Revenues from ordinary activities	91,897	155,768	-41%	(63,871)
Loss from ordinary activities after tax attributable to members	6,230,609	3,190,338	95%	3,040,271
Net loss for the period attributable to members	6,230,609	3,190,338	95%	3,040,271
Net tangible asset per share	0.014	0.007	-	-

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 for the financial year ended 30 June 2018 of \$6,230,609 (2017: \$3,190,338).

The Company recognised \$91,897 in revenue from ordinary activities and \$3,251,283 in other income (of which \$3,158,000 relates to a research and development rebate for the 2018 financial year that has been raised as a receivable at year end) which was largely offset by the following expenditure:

- \$7,741,706 on research and development ('R&D') related-costs. Although this expenditure was in accordance with the proposed use of capital raising funds as disclosed by the Company in various ASX announcements issued during current and previous financial years ended; during the quarter ended 30 June 2018 the Company initiated additional Xanamem development studies sooner than initially expected.
- \$696,654 corporate administration expenses;
- \$528,418 business development and investor relation expenses;
- \$595,554 in non-cash transactions including amortisation charges, share-based payment expense; and depreciation charges; and
- \$11,457 in finance charges.

Refer to the Directors' Report and the financial statements for further information.

14. Audit

This report is based on accounts which have been audited.



Dr Bill Ketelbey
Managing Director
Sydney, New South Wales
29 August 2018

ACTINOGEN MEDICAL LIMITED

ABN 14 086 778 476

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2018

ACTINOGEN MEDICAL LIMITED

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ACTINOGEN MEDICAL LIMITED CORPORATE DIRECTORY

Board of Directors

Non-Executive Chairman – Dr Geoffrey Brooke
Managing Director – Dr Bill Ketelbey
Non-Executive Director – Dr Jason Loveridge
Non-Executive Director – Dr George Morstyn

Company Secretary

Company Secretary - Peter Webse

Principal Place of Business / Registered Office

Suite 901, Level 9, 109 Pitt Street
Sydney NSW 2000

Contact Details

Telephone: 02 8964 7401

www.actinogen.com.au

ABN 14 086 778 476

Share Register

Link Market Services
Level 12
680 George Street
Sydney NSW 2000

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

Auditors

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

Lawyers

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

GTP Legal
68 Aberdeen Street
Northbridge WA 6003

Bankers

National Australia Bank
1232 Hay Street
West Perth WA 6005

ACTINOGEN MEDICAL LIMITED

CHAIRMAN'S ADDRESS

Dear Shareholder,

It is with great pleasure that I present to you this year's annual report. I'd like to take this opportunity to extend a warm welcome to all the new shareholders and to thank our existing shareholders for their continued support. This year saw a number of institutional investors join the register, including leading US specialist biotech fund, Biotechnology Value Fund ('BVF'), and well-known Australian institutional investors: Australian Ethical Investment, and Platinum Investment Management Limited.

In addition to a strong institutional presence on the register, we have a highly supportive investor base, with many existing shareholders opting to participate in the Share Purchase Plan, which closed post the year end.

This year has been a landmark year for Actinogen Medical Limited ('Actinogen Medical' or 'the Company'). From the early research beginnings at Edinburgh University, in May 2017 we enrolled the first patient into XanADu, our Phase II clinical trial in Alzheimer's disease, and now we are only months away from completing enrolment.

We are enrolling patients into XanADu in line with our previously announced timelines and with the latest addition of five new trial sites in the United States, we expect to complete enrolment before the end of calendar year 2018. We eagerly await the opportunity to inform the market of this key milestone and to report the top line trial results in the second quarter of calendar 2019, less than 12 months from now.

The hypothesis underpinning the development of Xanamem is that, by decreasing excess cortisol (the "stress hormone") in the brain, there should be an improvement in cognition in Alzheimer's disease patients, and potentially other diseases. There's compelling research to support this hypothesis, and XanADu, our Phase II study is specifically designed to demonstrate this in patients with mild Alzheimer's disease.

In ongoing support of the development of Xanamem, independent research published during the year provided further endorsement of the cortisol hypothesis. Research by Wheelan et al. (2017) concluded that exposure to a period of stress in midlife results in cognitive decline in old age. These findings were supported in another recent study by Stuart et al. (2017), published in the esteemed scientific journal, *Nature*, which also concluded that stress may worsen cognitive decline with age. Both studies, performed in animal models of aging and Alzheimer's, demonstrate that an increase in stress hormones is associated with cognitive decline.

The latest round of capital raising that Actinogen Medical has just concluded, provided the Company with the opportunity to fund a significant acceleration in the development of Xanamem in Alzheimer's disease, as well as other potential applications, in order to enhance the value of our lead compound.

A number of new Xanamem studies have initiated or will do so before the end of calendar year 2018. These include a study to explore the safety of a higher dose of Xanamem and a target occupancy study to demonstrate the effect different doses of Xanamem have in the human brain. Additionally, the Company will undertake a series of additional animal toxicology studies, which will expand the growing data-set for Xanamem and substantially value-add to the Company's ongoing plans for the future clinical development and commercialisation of Xanamem.

Raised cortisol has also been associated with a number of diseases, offering the possibility for Xanamem to be used in the treatment and management of conditions other than only Alzheimer's disease. A review is underway on the potential to expand Xanamem's development and use in cognitive deficiency associated with various neurological and metabolic diseases. Possible new indications include cognitive impairment associated with diabetes, Parkinson's disease, epilepsy and schizophrenia, amongst others, and we look forward to announcing our plans on the development of Xanamem beyond Alzheimer's disease.

We cannot underestimate the achievements of the Company over this past year. At the end of financial year 2018, we had enrolled 116 patients into XanADu and we completed the independent Interim Analysis on the first 50 evaluable completed patients. The Interim Analysis was undertaken by an independent Data

ACTINOGEN MEDICAL LIMITED

CHAIRMAN'S ADDRESS

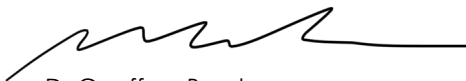
Safety Monitoring Board (DSMB) and the DSMB recommended the study continue as planned without modification. Importantly, the Interim Analysis also reported no treatment-related serious adverse events in the trial.

Never before has there been such an urgency to develop, and bring to market, a new therapy for the treatment of Alzheimer's disease. This year, Alzheimer's disease became the leading cause of death in Australian women and the second leading cause of death overall. The importance of the development of a drug such as Xanamem cannot be overstated as it is imperative to find a new treatment for this devastating disease. I'd like to take this opportunity to thank all our shareholders for their continued support of the Company's endeavours.

This financial year promises to be another year of significant milestones for the Company as we advance towards completion of XanADu and to reporting the top-line results in the second quarter of calendar year 2019. Not only are we focused on completing the Phase II trial, but we are initiating further studies to ensure we have the necessary additional data in place to advance the future clinical development and commercialisation of Xanamem.

We have an exceptionally busy and exciting year ahead. With the XanADu trial completion pending, we expect 2019 to be a particularly busy and fruitful year. I'd like to take this opportunity to thank all our staff and partners for their ongoing hard work and dedication, and to my fellow Board members for their commitment to Actinogen Medical.

Yours faithfully,



Dr Geoffrey Brooke
Chairman
29 August 2018

ACTINOGEN MEDICAL LIMITED

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement ('Statement') outlines the key aspects of Actinogen Medical Limited's ('Actinogen Medical' or 'the Company') governance framework and main governance practices. The Company's charters, policies and procedures are regularly reviewed and updated to comply with law and best practice. These charters and policies can be viewed on the Company's website located at www.actinogen.com.au.

This Statement is structured with reference to the Australian Securities Exchange ('ASX') Corporate Governance Council's ('the Council's') 'Corporate Governance Principles and Recommendations 3rd Edition' ('the Recommendations').

The Board of Directors has adopted the Recommendations to the extent that is deemed appropriate considering the current size and operations of the Company. Therefore, considering the size and financial position of the Company, where the Board considers that the cost of implementing a Recommendation outweighs any potential benefits, those Recommendations have not been adopted.

This Statement was approved by the Board of Directors and is current as at 29 August 2018.

➤ **Principle 1: Lay solid foundations for management and oversight**

Roles of the Board & Management

The Board is responsible for evaluating and setting the strategic direction for the Company, establishing goals for management and monitoring the achievement of these goals.

The Managing Director is responsible to the Board for the day-to-day management of the Company.

The principal functions and responsibilities of the Board include, but are not limited to, the following:

- appointment, evaluation and, if necessary, removal of the Managing Director, any other Executive Directors, the Company Secretary and the Chief Financial Officer (if applicable) and approval of their remuneration;
- determining, in conjunction with management, corporate strategy, objectives, operations, plans, and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- establishing appropriate levels of delegation to the Managing Director to allow the business to be managed efficiently;
- approval of remuneration methodologies and systems;
- monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level to understand at all times the financial and operating conditions of the Company;
- monitoring the performance of senior management, including the implementation of strategy and ensuring appropriate resources are available;
- identifying areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;
- overseeing the management of safety, occupational health and environmental issues;
- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- authorising the issue of any shares, options, equity instruments or other securities within the constraints of the *Corporations Act 2001* and the ASX Listing Rules; and
- ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that its practice is consistent with, a number of guidelines including:

ACTINOGEN MEDICAL LIMITED

CORPORATE GOVERNANCE STATEMENT

- a. Code of Conduct;
- b. Continuous Disclosure Policy;
- c. Diversity Policy;
- d. Performance Evaluation Policy;
- e. Procedures for Selection and Appointment of Directors;
- f. Remuneration Policy;
- g. Risk Management and Internal Compliance and Control Policy.
- h. Securities Trading Policy; and
- i. Shareholder Communications Policy.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board has delegated to the Managing Director responsibility for the management and operation of Actinogen Medical. The Managing Director is responsible for the day-to-day operations, financial performance and administration of Actinogen Medical within the powers authorised to him from time-to-time by the Board. The Managing Director may make further delegation within the delegations specified by the Board and is accountable to the Board for the exercise of those delegated powers. Further details of Board responsibilities, objectives and structure are set out in the Board Charter on the Actinogen Medical website.

Board Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate Committees at this time, including Audit, Risk, Remuneration or Nomination Committees, preferring at this stage, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the Audit, Risk, Remuneration and Nomination Committees. If the Company's activities increase in size, scope and nature, the appointment of separate Committees will be reviewed by the Board and implemented if appropriate.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a Director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of Director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election. The terms of the appointment of a Director, Executive Director and senior executive are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity

The Company has adopted a formal Diversity Policy with a particular focus on the representation of women at the senior level of the Company. At present, due to the size and scale of the Company, representation of women at a Board level has not yet been achieved; however, the Company remains committed to workplace diversity and representation of women at all levels of management.

The Company is currently in an early stage of its development and given that it currently has a limited number of employees, the application of measurable objectives in relation to gender diversity, at various levels of the Company's business, is not considered to be appropriate nor practical.

The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them.

ACTINOGEN MEDICAL LIMITED

CORPORATE GOVERNANCE STATEMENT

The proportion of women in the Company as at 29 August 2018 is as follows:

- Women on the board: 0 of 4 (0%)
- Women in senior executive positions: 1 of 4 (25%)
- Women in the organisation: 4 of 11 (36%)

The Company's Diversity Policy is available on its website.

Board and Management Performance Review

On an annual basis, the Board conducts a review of its structure, composition and performance. The annual review includes consideration of the following measures:

- comparing the performance of the Board against the requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- reviewing the Board's interaction with management;
- reviewing the type and timing of information provided to the Board by management;
- reviewing management's performance in assisting the Board to meet its objectives; and
- identifying any necessary or desirable improvements to the Board Charter.

The method and scope of the performance evaluation is set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

The Board conducts an annual performance assessment of the Managing Director against agreed key performance indicators. Board and management performance reviews were conducted during the financial year in accordance with the above processes.

Independent Advice

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to obtain independent professional advice on any matter connected with the discharge of their responsibilities, with prior notice to the Chairman, at Actinogen Medical's expense.

➤ **Principle 2: Structure the board to add value**

Board Composition

During the financial year and to the date of this report the Board was comprised of the following members:

Dr Geoffrey Brooke	Non-Executive Chairman (appointed 1 March 2017);
Dr Bill Ketelbey	Managing Director (appointed 18 December 2014);
Dr Jason Loveridge	Non-Executive Director (appointed 1 December 2014)
Dr George Morstyn	Non-Executive Director (appointed 1 December 2017); and
Dr Anton Uvarov	Non-Executive Director (appointed 16 December 2013, resigned 14 August 2017).

ACTINOGEN MEDICAL LIMITED

CORPORATE GOVERNANCE STATEMENT

The Company currently has one Executive Director, the Managing Director, and three Non-Executive Directors. The Board is currently comprised of a majority of independent Directors, being Dr Geoffrey Brooke (the Company's Non-Executive Chairman) Dr Jason Loveridge and Dr George Morstyn. Actinogen Medical has adopted a definition of 'independence' for Directors that is consistent with the Recommendations. None of the Directors are substantial shareholders in the Company despite holding interests in the Company.

Board Selection Process

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern Actinogen Medical. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of Directors. The Directors review the size and composition of the Board regularly and at least once a year as part of the Board evaluation process. The Board has a skills matrix covering the competencies and experience of each member. When the need for a new Director is identified, the required experience and competencies of the new Director are defined in the context of this matrix and any gaps that may exist.

Generally, a list of potential candidates is identified based on these skills required and other issues such as geographic location and diversity criteria. Candidates are assessed against the required skills and on their qualifications, backgrounds and personal qualities. In addition, candidates are sought who have a proven track record in creating security holder value and the required time to commit to the position.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work. An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

➤ **Principle 3: Act ethically and responsibly**

The Company has implemented a Code of Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

All employees and Directors are expected to:

- respect the law and act in accordance with it;
- maintain high levels of professional conduct;
- respect confidentiality and not misuse Company information, assets or facilities;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Conduct may face disciplinary action including, in the case of a serious breach, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary. If the suspected breach pertains to the Company Secretary, the report should be made to the Chairman. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

ACTINOGEN MEDICAL LIMITED

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➤ **Principle 4: Safeguard integrity in corporate reporting**

The Board as a whole fulfills the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required. The external auditors attend Actinogen Medical's Annual General Meeting ('AGM') and are available to answer questions from security holders relevant to the conduct of the audit, preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit. Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the Audit Partner responsible for the audit not perform in that role for more than five years.

CEO & CFO Certifications

The Board has received certifications from the CEO and CFO equivalent in connection with the financial statements for Actinogen Medical for the reporting period. The certifications state that the declaration provided in accordance with Section 295A of the *Corporations Act 2001* as to the integrity of the financial statements is founded on a sound system of risk management and internal control which is operating effectively.

➤ **Principle 5: Make timely and balanced disclosure**

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and the *Corporations Act 2001*. The Policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. The Chairman, Managing Director and the Company Secretary are responsible for ensuring that:

- a) Company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and *Corporations Act 2001*; and
- b) Company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

ACTINOGEN MEDICAL LIMITED

CORPORATE GOVERNANCE STATEMENT

➤ **Principle 6: Respect the rights of security holders**

The Company recognises the value of providing current and relevant information to its shareholders. The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via the ASX, the Company's website, information emailed or mailed to shareholders and the General Meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in General Meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the "Contact Us" page of the Company's website. Shareholders may elect to, and are encouraged to, receive communications from Actinogen Medical and the Company's securities registry electronically.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and Committee Charters, Annual Reports and ASX announcements on the Company's website.

➤ **Principle 7: Recognise and manage risk**

The Board is committed to the identification, assessment and management of risk throughout Actinogen Medical's business activities. The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework. Actinogen Medical has established policies for the oversight and management of material business risks.

Actinogen Medical's Risk Management and Internal Compliance and Control Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

Actinogen Medical believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, Actinogen Medical is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.

Actinogen Medical accepts that risk is a part of doing business. Therefore, the Company's Risk Management and Internal Compliance and Control Policy is not designed to promote risk avoidance. Rather Actinogen Medical's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring it does not enter into unnecessary risks or enter into risks unknowingly.

Actinogen Medical assesses its risks on a residual basis; that is, it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, Actinogen Medical applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage Actinogen Medical's material business risks. It receives regular reports on specific business areas where significant business risk or exposure may exist. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term.

ACTINOGEN MEDICAL LIMITED

CORPORATE GOVERNANCE STATEMENT

The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives and monitoring the environment for emerging factors and trends that affect those risks;
- formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk. Management reports to the Board as to the effectiveness of Actinogen Medical's management of its material business risks at each meeting.

➤ **Principle 8: Remunerate fairly and responsibly**

Actinogen Medical's Remuneration Policy was designed to recognise the competitive environment within which Actinogen Medical operates and to emphasise the requirement to attract and retain a high caliber of expertise in order to achieve sustained improvement in Actinogen Medical's performance.

The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Actinogen Medical.

The key principles are to:

- link executive reward with strategic goals and sustainable performance of Actinogen Medical;
- apply challenging corporate and individual key performance indicators that focus on both short-term and long-term outcomes;
- motivate and recognise superior performers with fair, consistent and competitive rewards;
- remunerate fairly and competitively in order to attract and retain a high calibre of expertise;
- recognise capabilities and promote opportunities for career and professional development; and
- through employee ownership of Actinogen Medical shares, foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the CEO, Non-Executive Directors and senior management based on an annual review.

Actinogen Medical's executive remuneration policies and structures and details of remuneration paid to Directors are set out in the Remuneration Report.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances, options. They do not receive any termination or retirement benefits, other than statutory superannuation. The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$500,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders. The total fees paid to Non-Executive Directors during the reporting period were \$188,841. Refer to Section 4 of the Remuneration Report.

ACTINOGEN MEDICAL LIMITED

CORPORATE GOVERNANCE STATEMENT

Executive Directors and other senior executives are remunerated using combinations of fixed and performance-based remuneration. Fees and salaries are set at levels reflecting market rates and performance-based remuneration is linked directly to specific performance targets that are aligned to both short and long-term objectives.

In accordance with the Company's Securities Trading Policy, participants in an equity-based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the Company's Remuneration Policies are contained in the Remuneration Report, within the Directors' Report.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

Your Directors present their report pertaining to Actinogen Medical Limited ('the Company' or 'Actinogen Medical') for the year ended 30 June 2018.

➤ **INFORMATION ON DIRECTORS**

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 this entire period unless otherwise stated.

Name	Position	Appointed	Resigned
Dr Geoffrey Brooke	Non-Executive Chairman	1/03/2017	Current
Dr Bill Ketelbey	Managing Director / Chief Executive Officer	18/12/2014	Current
Dr Jason Loveridge	Non-Executive Director	1/12/2014	Current
Dr George Morstyn	Non-Executive Director	1/12/2017	Current
Dr Anton Uvarov	Non-Executive Director	16/12/2013	14/08/2017

Dr Geoffrey Brooke (appointed 1 March 2017)

MBBS, MBA

Non-Executive Chairman

Dr Brooke is a healthcare industry and venture capital veteran with over 30 years' international experience as the founder, lead investor and/or Chairman/Director of numerous healthcare companies with a realised value of more than \$1.5 billion. Most notably, he 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 health care-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 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). Appointed 1 June 2016 – Current.

Dr Bill Ketelbey (appointed 18 December 2014)

MBBCh, FFPM, MBA, GAICD

Managing Director and Chief Executive Officer

Dr Ketelbey is a highly experienced and successful healthcare and pharmaceutical sector professional, with more than 30 years' experience in the industry, including senior medical and management roles with global pharmaceutical giant, Pfizer. Dr Ketelbey has a medical degree from the University of the Witwatersrand (South Africa), is a Fellow of the Faculty of Pharmaceutical Medicine with the Royal College of Physicians (UK), has an MBA from Macquarie University (Australia), and is a Graduate of the Australia Institute of Company Directors.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

Prior to joining Actinogen Medical, Dr Ketelbey was the APAC Regional Vice President of Medical Affairs for Pfizer's Primary Care Business Unit and Country Medical Director for Pfizer, Australia and New Zealand. At Pfizer, Dr Ketelbey was responsible for leading the development of numerous medicines across a broad range of therapeutic areas, including Aricept, the market-leading therapy for Alzheimer's disease.

Dr Ketelbey is a Non-Executive Director of the Westmead Institute of Medical Research (WIMR) and chairs the IP and Commercialisation Committee of WIMR.

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

Dr Jason Loveridge (appointed 1 December 2014)

BSc PhD FRSM

Non-Executive Director

Dr Loveridge has been working in the biotech and medtech industries for over 28 years and brings extensive experience in the commercialisation of medical research to the Board of Actinogen Medical. As a venture investor with JAFCO Nomura, Dr Loveridge invested in over 28 companies in Europe, the US and Israel and has been directly involved in the management of a number of innovative companies in the medical arena.

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

- Non-Executive Director of Resonance Health Limited (ASX: RHT) – Appointed February 2013 – Resigned 30 June 2017.

Dr George Morstyn (appointed 1 December 2017)

MBBS FRACP PhD FTSE

Non-Executive Director

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 ('CSFs'). 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. He is currently on the Board of the Cooperative Research Centre for Cancer Therapeutics, Symbio (Tokyo) and Biomedical Research Victoria. 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.

The following Director resignations occurred during the year ended 30 June 2018:

Dr Uvarov, appointed on 16 December 2013 as a Non-Executive Director, resigned on 14 August 2017.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' 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:

Name	Fully paid ordinary shares	LTI Rights (b)	Total unlisted options	Total listed options
Dr Geoffrey Brooke (a)	1,325,000	-	5,000,000	365,833
Dr Bill Ketelbey (a)	953,803	12,000,000	-	1,647,172
Dr Jason Loveridge	21,875,078	6,000,000	-	3,716,677
Dr George Morstyn	200,000	-	1,500,000	-
Total	24,353,881	18,000,000	6,500,000	5,729,682

- (a) Of Dr Brooke's and Dr Ketelbey's fully paid ordinary shares, 300,000 and 600,000, respectively, were purchased under the Share Purchase Plan subsequent to year end.
- (b) Of Dr Ketelbey's LTI Rights, 6,000,000 relate to Class I and Class J LTI Rights that have not yet vested due to the performance milestone not being achieved as yet. For further information on the key terms of the LTI Rights, refer to Section 3(C)(b) Remuneration Report.

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.

Director	Number of meetings available to attend	Number of meetings attended
Dr Geoffrey Brooke	8	8
Dr Bill Ketelbey	8	8
Dr Jason Loveridge	8	8
Dr George Morstyn	4	4
Dr Anton Uvarov	1	1

Due to size and scale of the Company, there are no Remuneration, Nomination or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, reverted to the Board of Directors. For details of the function of the Board please refer to the Corporate Governance Statement which is included as part of this financial report.

3. COMPANY SECRETARY

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

Mr Webse has over 25 years' company secretarial experience and is Managing Director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. Mr Webse holds a Bachelor of Business with a double major in Accounting and Finance, is a Fellow of the Governance Institute of Australia, a Fellow Certified Practising Accountant and a Member of the Australian Institute of Company Directors.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' 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 is included as part of this financial report.

5. SHARES UNDER OPTION

As at the date of this report, there were 189,548,031 unissued ordinary shares under option:

Quantity	Type	Issue Date	Exercise Price	Expiry Date	Vesting Conditions	Comment
30,500,000	Unlisted Placement Options	12/12/2013	\$ 0.02	30/11/2018	None attached.	
2,900,000	Unlisted Employee Options (Tranche 1)	6/02/2017	\$ 0.10	5/02/2021	Vesting conditions apply.	(a)
5,000,000	Unlisted Director Options	24/03/2017	\$ 0.10	24/03/2022	Vesting conditions apply.	(b)
417,188	Unlisted Employee Options (Tranche 2)	12/07/2017	\$ 0.10	5/02/2021	None attached.	
1,500,000	Unlisted Director Options	1/12/2017	\$ 0.10	1/12/2022	Vesting conditions apply.	(c)
81,876,233	Listed Loyalty Options	21/12/2017	\$ 0.06	31/03/2019	None attached.	
66,000,000	Listed Placement Options	22/01/2018	\$ 0.06	31/03/2019	None attached.	(d)
417,110	Unlisted Employee Options (Tranche 3)	3/04/2018	\$ 0.10	5/02/2021	None attached.	
937,500	Unlisted Employee Options (Tranche 3)	3/04/2018	\$ 0.10	5/02/2021	Vesting conditions apply.	(e)
189,548,031	Total shares under option					

- (a) These options were issued to employees of the Company and are subject to vesting conditions.
- (b) These options were issued to Dr Geoffrey Brooke (Appointed as Non-Executive Chairman of the Company on 1 March 2017) and are subject to vesting conditions.
- (c) These options were issued to Dr George Morstyn (Appointed as Non-Executive Director of the Company on 1 December 2017) and are subject to vesting conditions.
- (d) These options were issued to participants of the Capital Raising Tranche 1 and Tranche 2 (8 December 2017 and 22 January 2018, respectively) following shareholder approval at the Extraordinary General Meeting of Shareholders held on 18 January 2018.
- (e) These options were issued to employees of the Company and are subject to vesting conditions.

During the year and up to the date of this report the following options were exercised or lapsed:

Quantity	Type	Lapsed or Exercised	Lapsed Date / Exercise Date	Exercise Price	Comment
400,000	Unlisted Employee Options (Tranche 1)	Lapsed	2/01/2018	\$ 0.10	(a)
1,093,750	Unlisted Employee Options (Tranche 1)	Lapsed	22/09/2017	\$ 0.10	(b)
3,000,000	Unlisted Placement Options	Exercised	18/04/2018	\$ 0.02	
3,000,000	Unlisted Placement Options	Exercised	14/05/2018	\$ 0.02	
4,000,000	Unlisted Placement Options	Exercised	4/07/2018	\$ 0.02	
11,493,750	Total shares under options that were exercised or lapsed				

- (a) 400,000 lapsed options were forfeited due to the vesting condition of achieving a target of 65 patients dosed by 31/12/2017 having not being achieved by their vesting date; and
- (b) 1,093,750 lapsed options were forfeited during the year due to an employee ceasing employment with the Company.

No option holder has any right, by virtue of the option, to participate in any share issue of the Company.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

➤ **OPERATIONS AND FINANCIAL REVIEW**

6. PRINCIPAL ACTIVITIES

The principal activity of the Company during the year focussed on the development of Xanamem, a novel treatment for Alzheimer's disease and the cognitive deficiency associated with other neurological and metabolic diseases.

The Company's drug candidate, Xanamem, has been specifically designed to block the production of cortisol in the brain. Actinogen Medical is currently conducting XanADu, an international multi-site Phase II efficacy and safety trial of Xanamem in patients with mild Alzheimer's disease. Recruitment and treatment of patients started in 2017, with results expected between April and June 2019.

7. REVIEW OF OPERATIONS

Highlights for the Financial Year (and subsequent to year end)

- (i) XanADu progress - Patient recruitment into XanADu trial continues in line with previously announced timelines;
- (ii) Data Safety Monitoring Board (DSMB) Interim Analysis of XanADu - Successful completion of XanADu Interim Analysis by DSMB with recommendation to continue the trial without modification;
- (iii) Cortisol Hypothesis strengthened – Further compelling evidence published in support of the cortisol hypothesis;
- (iv) Strengthened patent portfolio – Published patents now covering all major markets;
- (v) Financial Position - Well-funded following various capital raisings including Biotechnology Value Fund ('BVF'), Australian Ethical Investment, and Platinum Investment Management Limited;
- (vi) Enhanced Board - Appointment of Dr George Morstyn to the Board; and
- (vii) Raising awareness of Actinogen Medical and Xanamem – With biotechs, researchers and investors.

(i) XanADu Progress

XanADu, the Company's Phase II study evaluating the safety and efficacy of Xanamem in mild Alzheimer's disease, enrolled the first patient in May 2017 and the priority for the 2018 financial year was to ensure that patient enrolment continued on target. Pleasingly, at the end of the financial year 116 patients had been enrolled and the trial is expected to enrol the final patient in the second quarter of the 2019 financial year. As projected, the top-line results are expected to read out in less than 12 months, between April and June 2019.

The first patient was treated in May 2017 at the study's Central Coast Neurosciences Research site in New South Wales, Australia. This was followed soon after by the treatment of the first USA patient at the Atlanta Centre for Medical Research in Atlanta, Georgia, in June 2017.

Building on these significant milestones, the Company continued to make steady progress with the trial and successfully recruited its first UK patient in mid-August, signalling the achievement of enrolment for the trial across all three of its geographic territories. The first patient completed the full 12-week treatment and the 4-week follow up in early September 2017, reflecting another important milestone for the Company. Furthermore, in March 2018 XanADu passed the midway point in patient enrolment and the study continues on track with the last patient expected to be enrolled by quarter two of the 2019 financial year (October to December 2018). Top line results are expected by quarter four of the 2019 financial year, less than 12 months from now.

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(ii) Data Safety Monitoring Board (DSMB) Interim Analysis of XanADu

In November 2017, Actinogen Medical announced that it would commission an independent Data Safety Monitoring Board (DSMB) to undertake an Interim Analysis (IA) on the first 50 patients completing the XanADu 12-week trial and 4-week follow up.

The IA was undertaken on the first 50 evaluable completed patients in May 2018: the IA was on both safety and efficacy unblinded data. An additional 37 patients' safety data for those patients still ongoing in the study at the time, was also included in the IA.

Based on their analysis and review of the study data, the independent DSMB recommended that the XanADu study continue as planned without modification and, importantly, confirmed that no treatment-related serious adverse events had been reported.

The positive outcome from the IA supported the continuation of XanADu in Alzheimer's disease and the further development of Xanamem in other potential indications.

The XanADu patient data remained blinded to the Company and to all non-DSMB personnel involved in the clinical study. This safeguarded the integrity and credibility of the clinical data and ensured that no potential biases were introduced into the study.

(iii) Cortisol Hypothesis

A number of new independent studies published during the year lent strong support to the Company's cortisol hypothesis – the hypothesis underpinning Xanamem's development. The hypothesis holds, that by reducing cortisol (the "stress hormone") in the brain, the cognitive decline associated with Alzheimer's disease could be slowed, or even prevented. Two studies highlighted by the Company endorse the growing evidence supporting the association between stress and age-related cognitive (learning and memory) decline. Both studies, performed in animal models of aging and Alzheimer's, demonstrate that an increase in stress hormones is associated with cognitive decline. The research by Wheelan et al. (published in 2017) concluded that exposure to a period of stress in midlife results in cognitive decline in old age.

These research findings were supported by another study by Stuart et al. (published in 2017) in the esteemed scientific journal, *Nature*, that also concluded that stress may worsen cognitive decline with age. These studies provide strong validation and support for the development of Xanamem, which is specifically designed to block the production of the stress hormone, cortisol, in the brain.

In the early development of Xanamem, Actinogen Medical demonstrated that blocking the production of cortisol in the brain significantly improved cognition. If the XanADu study in Alzheimer's disease is able to replicate the results seen in these earlier studies, Xanamem could prove to be the most significant advance in decades in the management of this devastating disease.

(iv) Patent Portfolio

The Company has a comprehensive portfolio of patents covering Xanamem and its use in Alzheimer's disease and other neurological and metabolic diseases associated with chronically raised cortisol.

During the year, the Company's patent portfolio was further strengthened when the Canadian Intellectual Property Office granted a key patent for Xanamem. The Canadian patent represents the final major market patent to be granted for Xanamem.

The Company now holds key patents for Xanamem in all major geographic markets, including the USA, UK, EU, Japan, China, Canada and Australia. These patents extend out to at least 2031, offering the Company strong composition of matter intellectual property protection.

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DIRECTORS' REPORT

(v) Financial Position

The Company's financial year end position was substantially strengthened during the year, and subsequent to year end, following various capital raisings that brought in \$14,636,150 during the year, and a further \$7,156,350 post year-end. Refer to the table below. Additionally, the Company received a research and development tax rebate of \$1,214,754 that related to the prior year's claim.

	Date	During the financial year ended 30 June 2018 \$	Subsequent to year ended 30 June 2018 \$	Total Capital Raisings \$
Capital Raising Tranche 1 and 2 (a)				
Capital Raising Tranche 1	8/12/2017	3,660,000	-	3,660,000
Capital Raising Tranche 2	22/01/2018	1,620,000	-	1,620,000
Total		5,280,000	-	5,280,000
Private Placement Tranche 1 and 2 (b)				
Private Placement Tranche 1	18/05/2018	9,356,150	-	9,356,150
Private Placement Tranche 2	12/07/2018	-	5,643,850	5,643,850
Total		9,356,150	5,643,850	15,000,000
Share Purchase Plan and Shortfall (c)				
Share Purchase Plan	13/07/2018	-	952,500	952,500
Share Purchase Plan Shortfall	17/07/2018	-	560,000	560,000
Total		-	1,512,500	1,512,500
Total Capital Raisings (d)		14,636,150	7,156,350	21,792,500

(a) Capital raising of \$3,660,000 and \$1,620,000 - December 2017 and January 2018, respectively

The Company launched a successful and oversubscribed placement to raise \$5,280,000 through the issue of 132 million fully paid ordinary shares at \$0.04 per share. The proceeds from the capital raising fully fund the completion of the XanADu trial.

All shares were entitled to free attaching options on a 1:2 basis, exercisable at \$0.06 each on or before 31 March 2019 (Listed Placement Options), which were issued on 22 January 2018. Additionally, on the same basis as the Listed Placement Options, existing shareholders as at 21 December 2017, received two free loyalty bonus options for every 15 ordinary shares held (Listed Loyalty Options).

(b) Private Placement of \$9,356,150 and \$5,643,850 – May 2018 and July 2018, respectively

In May 2018 and July 2018, Actinogen Medical secured a further combined total of \$15,000,000 through an institutional placement. The placement received strong interest from institutional investors, with specialist USA biotech investment fund, Biotechnology Value Fund ('BVF'), taking a cornerstone position of \$10.5 million alongside other leading Australian institutional investors: Australian Ethical Investment, and Platinum Investment Management Limited.

The shares were issued in two tranches: Tranche 1 issued 187,122,994 fully paid ordinary shares raising \$9,356,150; and Tranche 2 issued 112,877,006 fully paid ordinary shares raising \$5,643,850. The shares were issued at \$0.05 per share, representing a 13.4% premium to the 5-day volume weighted average price (VWAP).

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(c) Share Purchase Plan raising \$952,500 and Shortfall \$560,000 – July 2018

A Share Purchase Plan ('SPP') was launched offering existing eligible shareholders the opportunity to purchase up to \$15,000 of new fully paid ordinary shares at \$0.05 per share. The SPP closed on 11 July 2018, raising a total of \$952,500 from the issue of 19,050,000 fully paid ordinary shares. BVF and Australian Ethical Investment elected to participate in the SPP Shortfall which raised a further \$560,000 from the issue of 11,200,000 fully paid ordinary shares.

Following completion of the private placement and SPP, BVF is now the largest shareholder in Actinogen Medical holding 19.97% of the ordinary shares on issue.

(d) Total capital raised

Total capital raised during the year of \$14,636,150 plus capital raised subsequent to year-end of \$7,156,350, brings the total combined capital raised to \$21,792,500. The Company is also due to receive approximately \$3,158,000 in other income which relates to the research and development rebate receivable recognised at year end.

The funds raised will be deployed to advance the development plan of Xanamem (for details, see Outlook and Business Strategy in the Directors' Report).

(vi) **Board Changes**

Dr Anton Uvarov stepped down from his role as Non-Executive Director of the Company and Dr George Morstyn was appointed to the Board as Non-Executive Director. Prior to joining Actinogen Medical, Dr Morstyn (MBBS, PhD, FRACP) was Senior Vice President of Development and Chief Medical Officer at US biotech giant, Amgen Inc. and brings extensive drug development experience, having developed and launched a number of new drugs during his tenure.

(vii) **Raising Awareness of Actinogen Medical and Xanamem**

Actinogen Medical continued to enhance its awareness activities of the Company and Xanamem among the investor and scientific communities by attending and presenting at a number of conferences including; the AC4R (Australasian Consortium of Centres for Clinical Cognitive Research) Annual Scientific Meeting; the 8th Australian MicroCap Conference; BioShares Biotech 2017 Summit in Queenstown, New Zealand; JP Morgan Healthcare Conference in San Francisco; Australia Biotech Invest; BIO International in San Diego and Boston; the Ausbiotech National Conference and the 17th Alzheimer's Australia Biennial National Dementia Conference.

Raising awareness of Actinogen Medical and Xanamem among the biotechnology and investment communities forms a key plank of the Company's development strategy. Significant progress was made during the year in building a strong profile for the business and for Xanamem in the domestic and international biotech and investment markets.

8. FINANCIAL PERFORMANCE

The financial performance of the Company during the year ended 30 June 2018 is as follows:

	Full-year ended	Full-year ended
	30/06/2018	30/06/2017
	\$	\$
Revenue and other income (\$)(a)	3,343,180	1,415,486
Net loss after tax (\$)	(6,230,609)	(3,190,338)
Loss per share (cents)	(0.88)	(0.52)
Dividend (\$)	-	-

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- (a) The Company recognised \$91,897 in revenue from ordinary activities and \$3,251,283 in other income (of which \$3,158,000 relates to a research and development rebate for the 2018 financial year that has been raised as a receivable at year end).

9. FINANCIAL POSITION

The financial position of the Company as at 30 June 2018 is as follows:

	As at 30/06/2018	As at 30/06/2017
	\$	\$
Cash and cash equivalents (a)	10,003,797	1,894,605
Available-for-sale listed investments	-	2,094,833
Net assets / Total equity	17,257,911	9,365,766
Contributed equity (b)	40,438,238	26,578,391
Accumulated losses	(29,308,635)	(23,078,026)

- (a) Refer to Section 7(v) above for further information on cash received during the financial year and post year-end.
(b) For further information on movements in equity, refer to Note 14 of the Financial Statements.

10. SHARE PRICE PERFORMANCE

The table below sets out the performance of the Company and the consequences of performance on shareholders' wealth over the past five years:

	2018	2017	2016	2015	2014
Quoted price of ordinary shares at year end (cents)	4.80	6.00	7.20	7.20	1.10
Quoted price of options at year end (cents)	-	-	-	-	-
Loss per share (cents)	0.88	0.52	0.54	0.60	0.29
Dividends paid	-	-	-	-	-

11. 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.

12. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than what is stated below, there are no matters or circumstances that have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of the Company in subsequent financial years.

The following inflow of cash was due to the issue of fully paid ordinary shares subsequent to year end:

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	Date	Quantity	Unit Price \$	Total \$
Exercise of unlisted options	4/07/2018	4,000,000	0.02	80,000
Private Placement Tranche 2	12/07/2018	112,877,006	0.05	5,643,850
Capital raising costs	-	-	-	(282,200)
Share Purchase Plan	13/07/2018	19,050,000	0.05	952,500
Share Purchase Plan Shortfall	17/07/2018	11,200,000	0.05	560,000
		147,127,006		6,954,150

13. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial year.

14. OUTLOOK & BUSINESS STRATEGY

(i) Completion of XanADu

The highest priority for the Company over the 2019 financial year is the completion and data read-out of XanADu, the Company's clinical trial of Xanamem in Alzheimer's disease. Enrolment of patients into XanADu continues across all sites in the US, UK and Australia. Five additional sites were added in the US, post the financial year end, bringing the total number of active sites to 25. These new sites are expected to accelerate patient recruitment and to ensure the achievement of full patient recruitment before the end of the 2018 calendar year.

As at 29 August 2018, 79% of the total patient cohort have been enrolled into XanADu representing 138 of the 174 patients planned for the study. Importantly, most trial sites continue to make excellent progress in screening patients for the trial, reflecting a major positive lead indicator to future enrolment. The Company anticipates enrolling the final patient in the last quarter of calendar year 2018 and commencing data analysis in 2019. Top-line results are expected to be available in the second quarter of the 2019 calendar year, less than 12 months from now.

These results will be pivotal in the Company's development as they are expected to establish the safety and efficacy of Xanamem in the treatment of Alzheimer's disease and place the Company an important step closer to bringing to market a new and novel treatment for this devastating disease.

(ii) Clinical Development Program

Following the successful completion of the recent capital raising, the Company announced a significant expansion of its Xanamem clinical development program. The funds will be used to undertake a number of important value adding studies to expand the growing data-set on Xanamem.

The updated program will include:

- A Target Occupancy Study - a highly specialised study that aims to accurately demonstrate the effect different doses of Xanamem has on the 11B-HSD1 enzyme in the human brain. This is the enzyme responsible for the production of cortisol. The initial work on the Target Occupancy Study is already underway, with the results anticipated in the April to June 2019 quarter, in line with the expected top-line results for XanADu;
- A Higher Dose Safety Study - to expand the safety data-set for Xanamem and allow for higher doses of the drug to be used, if required, including in non-Alzheimer's indications. This human study is expected to initiate in the second quarter of the 2019 financial year (October to December 2018); and

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DIRECTORS' REPORT

- Additional Safety Toxicology Studies - to allow for longer treatment periods, as normally required by global regulatory authorities in the development of any drug. Likewise, these studies are expected to initiate in second quarter of the 2019 financial year.

Additionally, multiple promising new clinical indications for Xanamem are under evaluation, to expand the market potential for Xanamem beyond Alzheimer's disease. These indications include a number of conditions considered to be associated with cortisol induced cognitive impairment, such as diabetes, depression, Parkinson's disease, schizophrenia, as well as conditions like post-traumatic stress disorder (PTSD) and post myocardial infarction. Timing for the initiation of these studies is dependent on the outcome of an ongoing review of all potential indications that will complete within the next few months.

(iii) A landmark year for Actinogen Medical

Financial year 2019 is expected to be a landmark year for the Company. During the financial year, the Company expects that the XanADu study will read out top-line results and a number of new studies will be initiated, with some reporting out, as detailed above. Results from these studies will be pivotal in defining the effectiveness and safety of Xanamem in Alzheimer's disease and form the foundation for the next stage of the Xanamem development program. They will also help establish the true value of the Company. We eagerly await these results.

It is expected therefore that in the April to June 2019 quarter, data from key studies will become available that will substantially shape and value-add to the data package for Xanamem.

(iv) Continuing to raise awareness

A further priority for the Company over the year is to continue to drive awareness of Actinogen Medical and Xanamem to ensure that the biotech and pharmaceutical industries recognise the significant development progress of the drug and its future potential in treating this devastating disease.

The Company's executives and business development team will continue to participate in international biotech industry partnering conventions and events and take every opportunity to showcase the significant potential for Xanamem.

Equally the Company will continue to raise awareness within the Alzheimer's research community through presentation and publication of the Xanamem clinical data. Two papers have been accepted for presentation at the prestigious international congress, *Clinical Trials in Alzheimer's Disease*, in Barcelona in October 2018 – this includes an oral presentation by Professor Craig Ritchie on the excellent progress made to date with XanADu. The presentation will be particularly noteworthy as it will coincide closely with the last patient being enrolled into the study.

(v) In Summary

The Company is very excited about the anticipated positive progress expected with the development of Xanamem over the 2019 financial year. We look forward to progressing XanADu and the expanded Xanamem development program over the 2019 financial year and to updating the market as the final data read-out approaches in less than 12 months from now.

15. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Should any likely developments of the Company eventuate, this information will be made available to the market in accordance with its continuous disclosure obligations under the ASX Listing Rules.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

➤ **REMUNERATION REPORT (AUDITED)**

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:

1. Introduction
2. Remuneration Governance
3. Executive remuneration arrangements
 - A. Remuneration principles and strategy
 - B. Approach to setting remuneration
 - C. Detail of incentive plans
4. Executive remuneration outcomes (including link to performance)
5. Executive contracts
6. Non-Executive Director fee arrangements
7. Additional disclosures relating to options and shares
8. Loans to Key Management Personnel ('KMP') and their related parties
9. Other transactions and balances with KMP and their related parties

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	Appointed	Resigned
Dr Geoffrey Brooke	Non-Executive Chairman	1/03/2017	Current
Dr Bill Ketelbey	Managing Director / Chief Executive Officer	18/12/2014	Current
Dr Jason Loveridge	Non-Executive Director	1/12/2014	Current
Dr George Morstyn	Non-Executive Director	1/12/2017	Current
Dr Anton Uvarov	Non-Executive Director	16/12/2013	14/08/2017

There were no other changes to KMP after the reporting date and before the date that the financial report was authorised for issue.

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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 29 November 2017, Actinogen Medical received 99.6% of votes in favour of its Remuneration Report for the 2017 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 done in accordance with the *Corporations Act 2001* requirements, especially in respect of related party transactions. Refer to the Corporate Governance Statement for further information.

3. EXECUTIVE REMUNERATION ARRANGEMENTS

(A) Remuneration principles and strategy

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.

Executive remuneration must be:

- aligned with the Company's vision, values and overall business objectives; and
- must be designed to motivate management to pursue the Company's long-term growth and success.

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; and
- 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) Approach to setting 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 incentive (STI) and long-term incentive (LTI) 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 and individual. The Company benchmarks the fixed component against appropriate market comparisons with the comparator group criteria being market capitalisation.

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STI component:

The STI component is in the form of a cash bonus to executives of the Company (bonuses are also applicable to employees). Payment of the cash bonus is entirely discretionary and rewards the KMP for their contribution to achievement of business goals. The business goals are determined annually by the Board and are linked to the strategic and operational plans of the Company, including budgets agreed for each financial year.

A specific STI component is also provided for within the Managing Director's remuneration package. Currently this includes a performance condition whereby at the annual review of the Managing Director's salary, one of the factors to be considered by the Board when granting an increase will be the Company's market capitalisation against appropriate ASX benchmarks with an aim for 50th percentile pay on ASX market capitalisation. The Managing Director and the remainder of the Board will agree benchmarks for each year of the term.

LTI component:

The LTI component is in the form of Employee Options, Director Options and LTI Rights. The Board is of the opinion that the shares and options currently on issue provide a sufficient long-term incentive to align the goals of the KMP with those of the shareholders to maximise shareholder wealth. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

(C) Details of incentive plans

(a) Short Term Incentives ('STIs')

Short Term Incentives (STI's) are set each calendar year, with any unmet milestones expiring at the end of each calendar year ending 31 December. During the financial year ended 30 June 2018, the Board of Directors put in place various STI's, and when achieved, a cash bonus was paid out to the following KMPs:

➤ Dr Ketelbey – Managing Director and Chief Executive Officer

An STI was put in place for the achievement of a number of various short-term performance conditions being met during the calendar year including first patient enrolment, all study sites initiated, various number of subjects enrolled, dose-escalation, as well as milestones relating to investor relations, capital raisings, business development, and the appointment of a new Chairman. Dr Ketelbey met a certain portion of these milestones and was paid \$48,450 on 22 February 2018.

(b) Long Term Incentives ('LTIs')

(i) Employee Options

In the prior year, and current year, remuneration in the form of Employee Options were granted to employees and consultants of the Company pursuant to the Company's Employee Option Plan.

Due to the vesting conditions attached to the Employee Options, they have been independently valued using a Black-Scholes methodology, whereby the total share-based payment is being expensed over the vesting period. Directors are not eligible to receive options under this Plan.

In the prior year ended 30 June 2017, the key terms of the options offered to Mr Ruffles are outlined below:

- 2,500,000 Employee Options (Tranche 1) granted on 23 January 2017 (See vesting conditions below);

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Vesting Dates, Vesting Conditions and Percentages:

- (a) Achieving XanADu regulatory approval in all three countries and nine patients dosed by mid-year – 12.5%. This vesting condition was not met by 30 June 2017 and subsequently, 312,500 options (12.5% of 2.5 million granted) lapsed and the corresponding share-based payment expense reversed.
- (b) Achieving target of 65 patients dosed by year end 2017 – 12.5%. This vesting condition was not met by 31 December 2017 and subsequently, 312,500 options (12.5% of 2.5 million granted) lapsed and the corresponding share-based payment expense reversed.
- (c) Achieving dosing of more than 30 patients at 20mg or higher Xanamem by 30th October 2018 – 25%
- (d) Achieving 174 patients dosed by 30th October 18 – 50%

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.

Exercise Price and Expiry Date: The exercise price payable upon exercise of each Option is \$0.10, on or before 5 February 2021.

Other terms: The rights, restrictions and obligations which apply to Options, including in relation to vesting, disposal and forfeiture, are set out in the Employee Option Plan.

(ii) Director Options

➤ Dr Geoffrey Brooke – Non-Executive Chairman:

In the prior year, on 24 March 2017, remuneration in the form of 5,000,000 Director Options were granted to Dr Brooke as part of his appointment as Non-Executive Chairman.

The key terms of the offer are outlined below:

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.

Exercise Price and Expiry Date: The exercise price payable upon exercise of each Option is \$0.10, on or before 24 March 2025.

Vesting Conditions:

- (a) 2,000,000 Director Options to vest one year after the date of grant;
- (b) 1,500,000 Director Options to vest two years after the date of grant; and
- (c) 1,500,000 Director Options to vest three years after the date of grant.

In each case, subject to continuous service to the Company by Dr Brooke as Non-Executive Chairman during the period from the date of grant up to and including the applicable vesting date. Due to the vesting conditions attached to the Director Options, they have been independently valued using a Black-Scholes methodology, whereby the total share-based payment is being 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 Dr Brooke's engagement with the Company.

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➤ Dr George Morstyn – Non-Executive Director:

On 18 January 2018, at a General Meeting of Shareholders, remuneration in the form of 1,500,000 Director Options were approved and granted to Dr Morstyn as part of his appointment as Non-Executive Director on 1 December 2017.

The key terms of the offer are outlined below:

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.

Exercise Price and Expiry Date: The exercise price payable upon exercise of each Option is \$0.10, on or before 1 December 2022.

Vesting Conditions:

- (a) 700,000 Options to vest one year after the date of appointment as a Non-Executive Director;
- (b) 400,000 Options to vest two years after the date of appointment as a Non-Executive Director; and
- (c) 400,000 Options to vest three years after the date of appointment as a Non-Executive Director.

In each case, subject to continuous service to the Company by Dr Morstyn as Non-Executive Director. While the terms of Dr Morstyn's engagement state that the vesting periods commence from date of grant of the Options, the intention when granting the options, was that the vesting period would commence from date of appointment as a Non-Executive Director, which is 1 December 2017.

Due to the vesting conditions attached to the Director Options, they have been independently valued using a Black-Scholes option valuation methodology, whereby the total share-based payment is being 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 Dr Morstyn's engagement with the Company.

(iii) LTI Rights

During a prior year, ended 30 June 2015, 45,000,000 shares, which are considered to be "in substance options' or rights ('LTI Rights') under Generally Accepted Accounting Principles, were issued to various KMP at the time by way of provision of a limited recourse loan (subject to approval at an Annual General Meeting of shareholders on 19 November 2014). They were independently valued using the Black-Scholes option valuation methodology. Due to the vesting conditions attached to these LTI Rights, they are expensed over the vesting period.

These LTI Rights were issued to the majority of KMP with performance conditions attached. The performance conditions consist of a number of Key Performance Indicators (KPI's) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to research & development success, share price appreciation and tenure. There is no expiry date on these vesting rights but there must be continuity of employment to receive the vesting benefits.

The key terms of the Employee Share Plan and of each limited recourse loan provided under the Plan are as follows:

- (i) the loan may only be applied towards the subscription price for the LTI Rights;
- (ii) 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 9% per annum after that date (which will accrue on a daily basis and compound annually on the then outstanding loan balance);

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- (iii) by signing and returning a limited recourse loan application, the participants of the Plan (each a Participant) 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;
- (iv) the Company has security over the Loan Shares as security for repayment of the loan;
- (v) the loan becomes repayable on the earliest of:
 - a) five years from the date on which the loan is advanced to the Participant;
 - b) one month after the Participant resigns or ceases to be employed by the Company other than:
 - (i) where the Participant is removed from office by shareholders of the Company, or
 - (ii) where the Company does not renew the Participant's executive employment agreement or
 - (iii) where the Company dismisses the Participant other than for cause; and
 - c) (by the legal personal representative of the Participant) six months after the Participant ceases to be an employee of the Company due to their death.

Repayment Date:

- (vi) notwithstanding paragraph (v) above, the Participant may repay all or part of the loan at any time before the Repayment Date; and
- (vii) the loan will be limited recourse such that on the Repayment Date the repayment obligation under the limited recourse loan will be limited to the lesser of (i) the outstanding balance of the limited recourse loan and (ii) the market value of the shares on that date. In addition, where the Participant has elected for the Loan Shares to be provided to the Company in full satisfaction of the loan, the Company must accept the Loan Shares as full settlement of the repayment obligation under the limited recourse loan.

Vesting conditions:

The Directors may issue the LTI Rights subject to vesting conditions (including performance milestones and time-based retention hurdles), such that the holder is only entitled to the benefit of the LTI Rights once the vesting conditions are met. If the vesting conditions are not met, the holder will lose their entitlement to the LTI Rights and the Company may buy back or arrange for the sale of those LTI Rights. This enables the Board to attract, incentivise and retain key personnel and to align the interests of those personnel and shareholders through equity participation.

Due to the vesting conditions attached to the LTI Rights, they have been independently valued using a Black-Scholes methodology, whereby the total share-based payment is being expensed over the vesting period. Refer to Note 21: Share-based Payments for further information.

Refer to the table below setting out the vesting conditions attached to the LTI Rights.

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Recipient	Class of LTI Rights	Quantity of LTI Rights	Vesting Date / Condition	Vested, unvested or lapsed	Ref.
Jason Lov eridge	Class A	3,000,000	Upon successful completion of the phase 1b multiple ascending dose study.	Vested	viii
Jason Lov eridge	Class B	3,000,000	Upon funding of the phase 2a proof of concept study.	Vested	vii
Martin Rogers	Class C	7,500,000	Upon Shares trading on the ASX above \$0.04 for ten consecutive trading days.	Vested	x
Martin Rogers	Class D	7,500,000	Upon Shares trading on the ASX above \$0.06 for ten consecutive trading days.	Vested	vi
Martin Rogers	Class E	5,000,000	Upon recruitment of the phase 1b multiple ascending dose study.	Vested	ix
Martin Rogers	Class F	-	Upon recruitment of the phase 2a proof of concept study.	Lapsed	iii
Vincent Ruffles	Class G	2,000,000	Three years from commencement of employment.	Vested	i
Bill Ketelbey	Class H	6,000,000	Three years from commencement of employment.	Vested	ii
Bill Ketelbey	Class I	3,000,000	Upon Share trading on the ASX at 150% of the share price on the date of commencement of employment for 10 consecutive trading days.	Unvested	iv
Bill Ketelbey	Class J	3,000,000	Upon recruitment of Phase II Xanamen Study.	Unvested	v
		<u>40,000,000</u>			

During the year ended 30 June 2018, the following LTI Rights ('Rights') vested or lapsed:

- (i) On 27 October 2017, the vesting condition on the 3,000,000 Class G Rights issued to Mr Ruffles were met.
- (ii) On 18 December 2017, the vesting condition on the 6,000,000 Class H Rights issued to Dr Ketelbey were met.
- (iii) On 14 December 2017, the shares attached to the 5,000,000 Class F Rights were cancelled by the Company during the year due to the vesting condition not being met. However, the share-based payment expense attached to these Rights, were reversed in the prior year ending 30 June 2017 according to when the 5,000,000 Class F Rights were forfeited which was when the former director, Mr Rogers, resigned from the Company, this being 30 November 2016.

As at 30 June 2018, Class I and Class J Rights remain unvested as the vesting condition has not yet been met despite the share-based payment expense against these Rights being fully expensed in prior years based on the expected vesting date at that time:

- (iv) 3,000,000 Class I Rights were fully expensed as at 30 June 2015 despite vesting condition remaining unmet; and
- (v) 3,000,000 Class J Rights were fully expensed as at 30 June 2015 despite vesting condition remaining unmet.

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In prior years, the following Rights vested or lapsed:

- (vi) On 24 February 2015, the vesting condition on the 7,500,000 Class D Rights issued to Mr Rogers were met.
- (vii) On 21 May 2015, the vesting condition on the 3,000,000 Class B Rights issued to Dr Loveridge were met.
- (viii) On 12 August 2015, the vesting condition on the 3,000,000 Class A Rights issued to Dr Loveridge were met.
- (ix) On 11 August 2015, the vesting condition on the 5,000,000 Class E Rights issued to Mr Rogers were met.
- (x) On 16 December 2014, the vesting condition on the 7,500,000 Class C Rights issued to Mr Rogers were met.

4. Executive Remuneration Outcomes

During the financial years ended 30 June 2018 and 30 June 2017 the KMP's received either or all of the following benefits:

- Short-term benefits: cash salary, cash fees and cash bonuses;
- Post-employment benefits: retirement benefits; and
- Share-based payments.

All remuneration paid to Directors and other KMP is valued at the cost to the Company and expensed. Refer to Table 1 and Table 2 below.

Table 1 - Remuneration of KMP for the year ended 30 June 2018:

As at 30/6/2018	Short term benefits		Post-employment	Share-based payments		Total	Value of share-based payments as a % of total remuneration
	Cash salary and fees	Cash bonus	Super-annuation	LTI Rights / Options	Shares		
	\$	\$	\$	\$(c)	\$	\$	%
Directors (a)							
Geoffrey Brooke	83,714	-	7,953	130,068	-	221,735	59%
Bill Ketelbey	322,451	48,450	20,049	33,256	-	424,206	8%
Jason Loveridge	60,000	-	-	-	-	60,000	-
George Morstyn (b)	30,000	-	-	7,705	-	37,705	20%
Anton Uvarov (b)	6,552	-	622	-	-	7,174	-
Total Directors	502,717	48,450	28,624	171,029	-	750,820	

(a) The total Non-Executive Director Fees during the year totalled \$188,841.

(b) During the year the following appointments and resignations occurred:

- Dr Uvarov resigned as Non-Executive Director on 14 August 2017;
- Dr Morstyn was appointed as Non-Executive Director on 1 December 2017; and

(c) Refer to Section 3(C)b of the Directors Report and Note 21: Share-based Payments for further information.

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Table 2 - Remuneration of KMP for the year ended 30 June 2017:

As at 30/6/2017	Short term benefits		Post-employment	Share-based payments		Total	Value of share-based payments as a % of total remuneration
	Cash salary and fees \$	Cash bonus \$	Super-annuation \$	LTI's / Options \$	Shares \$		
<u>Directors</u>							
Bill Ketelbey	315,692	-	19,308	115,035	-	450,035	26%
Geoffrey Brooke	30,441	-	2,892	41,996	-	75,329	56%
Martin Rogers (a)	52,085	-	4,948	-	-	57,033	0%
Jason Lov eridge	60,000	-	-	-	-	60,000	0%
Anton Uv arov	54,795	-	5,205	-	-	60,000	0%
Total Directors	513,013	-	32,353	157,031	-	702,398	
<u>Senior Executives</u>							
Vincent Ruffles (b)	179,604	7,410	17,766	46,315	-	251,095	18%
Total Senior Executives	179,604	7,410	17,766	46,315	-	251,095	
Total KMP	692,617	7,410	50,120	203,346	-	953,493	-

(a) Mr Rogers resigned as Non-Executive Chairman on 30 November 2016.

(b) Mr Ruffles was deemed to be a KMP in the prior year ended 30 June 2017, however, in the current financial year ended 30 June 2018, he no longer fulfils this definition.

5. Executive Contracts

During the financial year the following executive was remunerated accordingly for his role and was subject to the following contractual arrangement:

- Dr Bill Ketelbey – Managing Director and Chief Executive Officer
 - Commencement of employment: 18 December 2014.
 - Received wages totaling \$356,517 (including a bonus payment of \$48,450 during the year) plus superannuation of \$34,433;
 - Remuneration packaged was increased from \$335,000 per annum (including statutory superannuation) to \$350,000 per annum, with effect from 1 January 2018.
 - 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 the STI's refer to Section 3(C) of the Remuneration Report.
 - Term: the appointment of the employee 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.

6. Non-Executive Director Fee Arrangements

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.

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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 paid to Non-Executive Directors during the year were \$188,841.

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
 - Date of Appointment: 1 March 2017.
 - Received Director's fees totaling \$83,714 (plus GST) plus statutory superannuation totaling \$7,953 during the year ended 30 June 2018.
 - Remuneration package is set at \$100,000 per annum (inclusive of GST) (plus superannuation prescribed by the relevant law). Subject to annual review.
 - Term: Dr Brooke's appointment is subject to retirement by rotation under the Company's Constitution.
 - Termination: The other members of the Board may request that the officer resign with immediate effect in the event that the Board deems the individual's performance is 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.
- Dr Jason Loveridge – Non-Executive Director
 - Date of Appointment: 1 December 2014.
 - Director's fees received totaled \$60,000 (GST not applicable) during the year ended 30 June 2018.
 - Remuneration package is set at \$60,000 per annum (excluding GST) with effect from 1 February 2016. Subject to annual review.
 - Term: Dr Loveridge was elected as a Director at the Company's 2014 Annual General Meeting, with effect from 1 December 2014 following the acquisition of Corticrine Limited; and thereafter is subject to retirement by rotation under the Company's Constitution.
 - Termination: The other members of the Board may request that the officer resign with immediate effect in the event that the Board deems the individual's performance is 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.
- Dr George Morstyn – Non-Executive Director
 - Date of Appointment: 1 December 2017.
 - Director's fees received totaled \$30,000 (plus GST and exclusive of superannuation) during the year ended 30 June 2018.
 - Remuneration package is set at \$60,000 per annum (plus GST and exclusive of superannuation). Subject to annual review.
 - Term: Dr Morstyn's appointment is subject to retirement by rotation under the Company's Constitution.
 - Termination: The other members of the Board may request that the officer resign with immediate effect in the event that the Board deems the individual's performance is 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.

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- Dr Anton Uvarov – former Non-Executive Director
 - Date of Appointment: 16 December 2013.
 - Director's fees received totaled \$6,552 plus superannuation of \$622 during the year ended 30 June 2018.
 - Remuneration package is set at \$60,000 per annum (including statutory superannuation), with effect from 1 February 2016. Subject to annual review.
 - Termination Date: Dr Uvarov resigned on 14 August 2017.

7. Additional disclosures relating to options

(i) Option holding of KMP

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.

Although Dr Anton Uvarov was a Director of the Company from 16 December 2013 through to 14 August 2017, and therefore a KMP, he did not receive any options during his tenure and is therefore not disclosed in the following tables relating to options issued.

Option holding of KMP as at 30 June 2018:

	Class of Options	Balance at beginning of year 1/7/2017	Granted as remuneration	Net change other	Balance at end of year 30/6/2018	Vested at 30/6/2018	Not vested at 30/6/2018
Directors							
Geoffrey Brooke	Director Options	5,000,000	-	-	5,000,000	2,000,000	3,000,000
		5,000,000	-	-	5,000,000	2,000,000	3,000,000
Bill Ketelbey	Class H LTI Rights	6,000,000	-	-	6,000,000	6,000,000	-
Bill Ketelbey (a)	Class I LTI Rights	3,000,000	-	-	3,000,000	-	3,000,000
Bill Ketelbey (a)	Class J LTI Rights	3,000,000	-	-	3,000,000	-	3,000,000
		12,000,000	-	-	12,000,000	6,000,000	6,000,000
Jason Lov eridge	Class A LTI Rights	3,000,000	-	-	3,000,000	3,000,000	-
Jason Lov eridge	Class B LTI Rights	3,000,000	-	-	3,000,000	3,000,000	-
		6,000,000	-	-	6,000,000	6,000,000	-
George Morstyn (b)	Director Options	-	1,500,000	-	1,500,000	-	1,500,000
		-	1,500,000	-	1,500,000	-	1,500,000
Total Directors		23,000,000	1,500,000	-	24,500,000	14,000,000	10,500,000

- (a) As at 30 June 2018, Class I and Class J LTI Rights remain unvested as the vesting condition has not yet been met despite the share-based payment expense against these LTI Rights being fully expensed in prior years based on the expected vesting date at that time.
- (b) George Morstyn commenced as Non-Executive Director on 1 December 2017. He was issued Director Options as part of his appointment. Refer to Section 3(C)(b)(ii) within the Remuneration Report for further information.

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Option holding of KMP as at 30 June 2017:

	Class of Options	Balance at beginning of year 1/7/2016	Granted as remuneration	Net change other	Balance at end of year 30/6/2017	Vested at 30/6/2017	Not vested at 30/6/2017
<u>Directors</u>							
Geoffrey Brooke (a)	Director Options	-	5,000,000	-	5,000,000	-	5,000,000
		-	5,000,000	-	5,000,000	-	5,000,000
Bill Ketelbey	Class H LTI Rights	6,000,000			6,000,000	-	6,000,000
Bill Ketelbey (b)	Class I LTI Rights	3,000,000	-	-	3,000,000	-	3,000,000
Bill Ketelbey (b)	Class J LTI Rights	3,000,000	-	-	3,000,000	-	3,000,000
		12,000,000	-	-	12,000,000	-	12,000,000
Jason Lov eridge	Class A LTI Rights	3,000,000	-	-	3,000,000	3,000,000	-
Jason Lov eridge	Class B LTI Rights	3,000,000	-	-	3,000,000	3,000,000	-
		6,000,000	-	-	6,000,000	6,000,000	-
Martin Rogers (c)	Class C to F LTI Rights	25,000,000	-	(25,000,000)	-	-	-
		25,000,000	-	(25,000,000)	-	-	-
Total Directors		43,000,000	5,000,000	(25,000,000)	23,000,000	6,000,000	17,000,000
<u>Senior Executiv es</u>							
Vincent Ruffles	Class G LTI Rights	2,000,000	-	-	2,000,000	-	2,000,000
Vincent Ruffles (d)	Employee Options (T1)	-	2,500,000	(312,500)	2,187,500	-	2,187,500
Total Senior Executiv es		2,000,000	2,500,000	(312,500)	4,187,500	-	4,187,500
Total KMP		45,000,000	7,500,000	(25,312,500)	27,187,500	6,000,000	21,187,500

- (a) Geoffrey Brooke commenced as Non-Executive Chairman on 1 March 2017. He was issued Director Options as part of his appointment as Non-Executive Chairman. Refer to Section 3(C)(b) within the Remuneration Report for further information.
- (b) As at 30 June 2018, Class I and Class J LTI Rights remain unvested as the vesting condition has not yet been met despite the share-based payment expense against these LTI Rights being fully expensed in prior years based on the expected vesting date at that time
- (c) Martin Rogers resigned on 30 November 2016 and 5,000,000 Class F LTI Rights lapsed due to forfeiture.
- (d) During the year, 312,500 of Mr Ruffles Employee Options (Tranche 1) were forfeited due to the vesting condition attached to these options not being met by the milestone date, this being, achieving XanADu regulatory approval in all three countries and nine patients dosed by 30 June 2017.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

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

The value of the options awarded, vested and lapsed during the year are outlined in the Table below.

Recipient	Total share-based payment valuation	Value vested during the year	Total share-based payments expensed as at 1 July 2017	Value recognised during the year	Value lapsed during the year	Total share-based payments expensed as at 30 June 2018	Value to be recognised in future years	Remuneration consisting of option for the year (%)
Directors								
G. Brooke	\$ 98,114	\$ -	\$ 26,343	\$ 71,771	\$ -	\$ 98,114	\$ -	32%
G. Brooke	\$ 73,586	\$ -	\$ 9,879	\$ 36,793	\$ -	\$ 46,672	\$ 26,914	17%
G. Brooke	\$ 73,586	\$ -	\$ 5,774	\$ 21,504	\$ -	\$ 27,278	\$ 46,308	10%
B. Ketelbey (a)	\$ 218,886	\$ 218,886	\$ 185,630	\$ 33,256	\$ -	\$ 218,886	\$ -	8%
B. Ketelbey (b)	\$ 109,443	\$ -	\$ 109,443	\$ -	\$ -	\$ 109,443	\$ -	0%
B. Ketelbey (b)	\$ 109,443	\$ -	\$ 109,443	\$ -	\$ -	\$ 109,443	\$ -	0%
J. Loveridge	\$ 112,848	\$ -	\$ 112,848	\$ -	\$ -	\$ 112,848	\$ -	0%
J. Loveridge	\$ 112,848	\$ -	\$ 112,848	\$ -	\$ -	\$ 112,848	\$ -	0%
G. Morstyn	\$ 9,030	\$ -	\$ -	\$ 5,220	\$ -	\$ 5,220	\$ 3,810	14%
G. Morstyn	\$ 5,160	\$ -	\$ -	\$ 1,491	\$ -	\$ 1,491	\$ 3,669	4%
G. Morstyn	\$ 5,160	\$ -	\$ -	\$ 993	\$ -	\$ 993	\$ 4,167	3%
Total Directors								

- (a) During the year, the vesting condition attached to the Class H LTI Rights were met; this being that Dr Ketelbey serves three years with the Company from commencement of employment (18 December 2014).
- (b) Class I and Class J LTI Rights remain unvested despite the share-based payment expense against these LTI Rights being fully expensed in prior years based on the expected vesting date at that time.

Refer to Section 3(C) within the Remuneration Report for further information as to the vesting conditions attached to these LTI Rights.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

(iii) Number of options awarded, vested and lapsed during the year

Recipient	Grant Date	Fair value per option at grant date	Financial Year	Vesting date	Exercise price	Expiry date	Quantity as at 1 July 2017	Quantity lapsed during the year	Quantity as at 30 June 2018	Quantity vested during the year
Directors										
G. Brooke	24/03/2017	\$ 0.049	2017	24/03/2018	\$ 0.10	24/03/2025	2,000,000	-	2,000,000	-
G. Brooke	24/03/2017	\$ 0.049	2017	24/03/2019	\$ 0.10	24/03/2025	1,500,000	-	1,500,000	-
G. Brooke	24/03/2017	\$ 0.049	2017	24/08/2020	\$ 0.10	24/03/2025	1,500,000	-	1,500,000	-
B. Ketelbey (a)	15/12/2014	\$ 0.036	2015	18/12/2017	\$ 0.04	15/12/2019	6,000,000	-	6,000,000	6,000,000
B. Ketelbey (b)	15/12/2014	\$ 0.036	2015	30/06/2015	\$ 0.04	15/12/2019	3,000,000	-	3,000,000	-
B. Ketelbey (b)	15/12/2014	\$ 0.036	2015	30/06/2017	\$ 0.04	15/12/2019	3,000,000	-	3,000,000	-
J. Loveridge	19/11/2014	\$ 0.038	2015	30/09/2015	\$ 0.02	30/11/2019	3,000,000	-	3,000,000	-
J. Loveridge	19/11/2014	\$ 0.038	2015	31/12/2015	\$ 0.02	30/11/2019	3,000,000	-	3,000,000	-
G. Morstyn	18/01/2018	\$ 0.013	2018	1/12/2018	\$ 0.10	1/12/2022	700,000	-	700,000	-
G. Morstyn	18/01/2018	\$ 0.013	2018	1/12/2019	\$ 0.10	1/12/2022	400,000	-	400,000	-
G. Morstyn	18/01/2018	\$ 0.013	2018	1/12/2020	\$ 0.10	1/12/2022	400,000	-	400,000	-
Total Directors							24,500,000	-	24,500,000	6,000,000

- (a) During the year, the vesting condition attached to the Class H LTI Rights were met, this being that Dr Ketelbey serves three years with the Company from commencement of employment (18/12/2014).
- (b) Class I and Class J LTI Rights remain unvested despite the share-based payment expense against these LTI Rights being fully expensed in prior years based on the expected vesting date at that time.

Refer to Section 3(C) within the Remuneration Report for further information as to the vesting conditions attached to these LTI Rights.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

8. Additional disclosures relating to shares

There were no shares issued as compensation to KMP during the financial year ended 30 June 2018. LTI Rights held by KMP, despite being ordinary fully paid shares, represent an option arrangement and have not been included in the table below. Refer to Section 7(a) above which discloses the option holdings of KMPs including the LTI Rights held by KMP.

Shareholding of KMP as at 30 June 2018:

	Balance at beginning of year 1/7/2017	Granted as remuneration	On exercise of options	Net change other (a)	Balance at end of year 30/6/2018
Directors					
Geoffrey Brooke	400,000	-	-	625,000	1,025,000
Bill Ketelbey	353,803	-	-	-	353,803
Jason Lov eridge	21,875,078	-	-	-	21,875,078
George Morstyn	-	-	-	200,000	200,000
Anton Uv arov	4,187,244	-	-	(4,187,244)	-
Total Directors	26,816,125	-	-	(3,362,244)	23,453,881

(a) Movement relates to shares purchased on-market during the year; other than Anton Uvarov's movement which represents his resignation on 14 August 2017

Shareholding of KMP as at 30 June 2017:

	Balance at beginning of year 1/7/2016	Granted as remuneration	On exercise of options	Net change other (a)	Balance at end of year 30/6/2017
Directors					
Geoffrey Brooke	-	-	-	400,000	400,000
Bill Ketelbey	353,803	-	-	-	353,803
Martin Rogers	11,407,894	-	-	(11,407,894)	-
Jason Lov eridge	21,875,078	-	-	-	21,875,078
Anton Uv arov	4,187,244	-	-	-	4,187,244
Total Directors	37,824,019	-	-	(11,007,894)	26,816,125
Senior Executives					
Vincent Ruffles	-	-	-	-	-
Total Senior Executives	-	-	-	-	-
Total KMP	37,824,019	-	-	(11,007,894)	26,816,125

(a) Movement relates to shares purchased on-market during the year; other than Martin Rogers' movement which represents his resignation on 30 November 2016.

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

9. Loans Made to Key Management Personnel

No loans were made to any Director or KMP or any of their related entities during the reporting period.

Under the LTI Rights (section 3(C)(b) (iii)) of the Directors' Report, limited recourse interest free loans have been provided to Directors and KPM in prior years. The total value of the loans outstanding as at 30 June 2018 is \$1,491,035. The loans are not recognised in the financial statements on the basis the LTI Rights are accounted for as "in-substance options".

10. Other Transactions with Key Management Personnel

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

End of Audited Remuneration Report

16. 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.

17. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Actinogen Medical paid a premium 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.

18. 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.

19. ENVIRONMENTAL REGULATIONS

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

ACTINOGEN MEDICAL LIMITED

DIRECTORS' REPORT

20. NON-AUDIT SERVICES

No fees were paid for non-audit services to the external auditors and their associated entities during the years ended 30 June 2018 and 30 June 2017.

21. 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 2018 forms a part of the Directors' Report and can be found on page 40.

Signed in accordance with a resolution of the Board of Directors.



Dr Bill Ketelbey
Managing Director
Sydney, New South Wales
29 August 2018

Auditor's Independence Declaration to the Directors of Actinogen Medical Limited

As lead auditor for the audit of Actinogen Medical Limited for the financial year ended 30 June 2018, 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; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



T G Dachs
Partner
29 August 2018

ACTINOGEN MEDICAL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

		Full year ended 30/06/2018	Full year ended 30/06/2017
	Note	\$	\$
Revenue from continuing operations		91,897	155,768
Other income		3,251,283	1,259,718
<i>Total revenue & other income</i>	6	<u>3,343,180</u>	<u>1,415,486</u>
Business development		(528,418)	(361,341)
Corporate administration expenses		(696,654)	(578,468)
Research & development expenses	6	(7,741,706)	(3,190,450)
Finance costs		(11,457)	(8,532)
Share-based payment expenses		(239,514)	(106,415)
Amortisation expense		(353,500)	(353,501)
Depreciation expense	11	(2,540)	(7,117)
<i>Total expenses</i>		<u>(9,573,789)</u>	<u>(4,605,824)</u>
Loss Before Income Tax		(6,230,609)	(3,190,338)
Income tax expense	7	-	-
Loss for the Year		(6,230,609)	(3,190,338)
<u>Other comprehensive income</u>			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Net fair value (gain)/losses for available-for-sale listed investments		-	54,335
Transfer of available-for-sale reserve to profit and loss upon disposal of available-for-sale investments		(76,607)	-
Total comprehensive loss for the Year		(6,307,216)	(3,136,003)
Loss per share for attributable to the ordinary equity holders of the Company			
Basic loss per share (cents)	16	(0.88)	(0.52)
Dilutive loss per share (cents)	16	(0.88)	(0.52)

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

ACTINOGEN MEDICAL LIMITED
STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2018

	Note	Full year ended 30/06/2018 \$	Full-year ended 30/06/2017 \$
CURRENT ASSETS			
Cash and cash equivalents	8	10,003,797	1,894,605
Trade and other receivables	9	3,532,414	1,374,868
Available-for-sale listed investments	10	-	2,094,833
TOTAL CURRENT ASSETS		13,536,211	5,364,306
NON-CURRENT ASSETS			
Property, plant and equipment	11	-	2,266
Intangible assets	12	4,489,953	4,843,453
TOTAL NON-CURRENT ASSETS		4,489,953	4,845,719
TOTAL ASSETS		18,026,164	10,210,025
CURRENT LIABILITIES			
Trade and other payables	13	649,225	763,682
Provision for employee entitlements		119,028	80,577
TOTAL LIABILITIES		768,253	844,259
NET ASSETS		17,257,911	9,365,766
EQUITY			
Contributed equity	14	40,438,238	26,578,391
Reserve shares	14	(1,040,000)	(1,140,000)
Reserves	15	7,168,308	7,005,401
Accumulated losses		(29,308,635)	(23,078,026)
TOTAL EQUITY		17,257,911	9,365,766

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

ACTINOGEN MEDICAL LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

		Full year ended 30/06/2018	Full year ended 30/06/2017
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		53,182	118,233
Interest received		38,715	37,535
Interest paid		(11,457)	(8,532)
Payments to suppliers and employees		(1,170,799)	(824,224)
Payments for research and development		(8,086,285)	(3,261,087)
Research and development rebate received		1,265,592	2,829,276
Net cash (outflow) from operating activities	8	(7,911,052)	(1,108,799)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(274)	(1,025)
Proceeds on sale of available-for-sale listed investments	10	2,060,671	1,982,451
Net cash inflow from investing activities		2,060,397	1,981,426
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		14,756,150	270,000
Transaction costs associated with issue of shares		(796,303)	-
Net cash inflow from financing activities		13,959,847	270,000
Net increase in cash and cash equivalents		8,109,192	1,142,627
Cash and cash equivalents at beginning of the year		1,894,605	751,978
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	8	10,003,797	1,894,605

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

ACTINOGEN MEDICAL LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Contributed Equity	Accumulated Losses	Available-for- sale Reserve	Option Reserve	Reserve Shares	Total
Full year ended 30/6/2018	\$	\$	\$	\$	\$	\$
Balance as at 1/7/2017	26,578,391	(23,078,026)	76,607	6,928,794	(1,140,000)	9,365,766
Loss for the year	-	(6,230,609)	-	-	-	(6,230,609)
Other comprehensive income	-	-	(76,607)	-	-	(76,607)
Total comprehensive loss for the year	-	(6,230,609)	(76,607)	-	-	(6,307,216)
Transactions with equity holders in their capacity as equity holders:						
Shares issued during the year	14,756,150	-	-	-	-	14,756,150
Capital raising costs	(796,303)	-	-	-	-	(796,303)
Cancellation on unvested loan shares	(100,000)	-	-	-	100,000	-
Share-based payments	-	-	-	239,514	-	239,514
Balance as at 30/6/2018	40,438,238	(29,308,635)	-	7,168,308	(1,040,000)	17,257,911

	Contributed Equity	Accumulated Losses	Available-for- sale Reserve	Option Reserve	Reserve Shares	Total
Full year ended 30/6/2017	\$	\$	\$	\$	\$	\$
Balance as at 1/7/2016	26,308,391	(19,887,688)	22,272	6,822,379	(1,140,000)	12,125,354
Loss for the year	-	(3,190,338)	-	-	-	(3,190,338)
Other comprehensive income	-	-	54,335	-	-	54,335
Total comprehensive loss for the year	-	(3,190,338)	54,335	-	-	(3,136,003)
Transactions with equity holders in their capacity as equity holders:						
Shares issued during the year	270,000	-	-	-	-	270,000
Share-based payments	-	-	-	106,415	-	106,415
Balance as at 30/6/2017	26,578,391	(23,078,026)	76,607	6,928,794	(1,140,000)	9,365,766

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

ACTINOGEN MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

1. CORPORATE INFORMATION

The financial statements of Actinogen Medical Limited ('Actinogen Medical' or 'the Company') for the year ended 30 June 2018 were authorised in accordance with a resolution of Directors on 29 August 2018.

Actinogen Medical Limited 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. Information on other related party relationships is provided in Note 20.

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. The financial statements of the Company are for the financial year ended 30 June 2018.

(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 which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a total comprehensive loss for the year ended 30 June 2018 of \$6,230,609 (30 June 2017: \$3,190,338) and experienced net cash outflows from operating activities of \$7,911,052 (30 June 2017: \$1,108,799).

In arriving at this position, the Directors have had regard for the fact that based on the matters noted below the Company has, or in the Directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report. In forming this view the Directors have taken into consideration the following:

- The Company has \$10,003,797 in cash and cash equivalents as at 30 June 2018 and received proceeds of \$7,156,350 subsequent to year end as a result of cash received from share placements. The Company is listed on the ASX and therefore has access to the Australian equity capital markets. Accordingly, the Company considers it 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 Company is achieving key milestones with respect to its XanADu trial, an international multi-site Phase II efficacy and safety trial of Xanamem, Actinogen Medical's drug candidate that has been specifically designed to block the production of cortisol in the brain. This provides confidence for the Company's prospects of generating positive cash flow from operations in the future.
- The Company will be submitting a claim for the Research & Development Tax Incentive in respect of the 2018 tax year. The Company is satisfied that it meets the criteria to qualify for a cash refund and is confident the expenditure to be claimed will satisfy the tests of eligibility. The amount of eligible expenditure in the 2018 financial year is estimated to be \$7,259,769, and if approved, would lead to a cash refund of \$3,158,000 which has been recognised in the current year financial statements. Refer to Note 6, Note 8 and Note 9.

ACTINOGEN MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

(c) 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).

(d) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for available-for-sale financial investments which have been measured at fair value.

(e) Critical accounting estimates

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 4.

(f) 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 66.67% |
| • General Pool Assets >\$1,000 | 37% |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets continual use or subsequent disposal. The expected cash flows have been discounted to their present value in determining the recoverable amount.

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.

(g) 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 to sell 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 to sell, 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 indicators.

(h) 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

ACTINOGEN MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

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, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually 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.

Intangible assets with finite lives are amortised over the useful 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 each financial year end. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred. Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(i) Research and development costs

Development expenditures on an individual project are 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 2018. The Company did not meet this criteria 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 13 years. Refer to Note 12.

ACTINOGEN MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

(i) Income tax

The charge for current income tax expense is based on the profit 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 affects either 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 is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. 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.

(j) 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 at the present value of the estimated future cash outflows to be made for those benefits discounted using the interest rate on corporate bonds with terms to maturity approximating the terms of the liability.

(k) Share-based payments

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payment transactions, whereby employees 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.

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(l) 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.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue 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.

Research and development tax rebates are treated as a government grant. Government grants are recognised 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.

Investment income is recognised when the Company's right to receive payment is established.

(n) 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.

(o) 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.

(p) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(q) 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.

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(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit 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.

(ii) 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.

(s) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within impairment losses – financial assets. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against impairment losses – financial assets in the Statement of Comprehensive Income.

(t) Financial instruments – initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

- Loans and receivables

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium

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on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Comprehensive Income. The losses arising from impairment are recognised in the Statement of Comprehensive Income in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9.

- AFS financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in market conditions. After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income ('OCI') and credited to the AFS reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the Statement of Comprehensive Income in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method. Fair value is determined to be the quoted market price of the investment as at the reporting period end.

The Company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets, the Company may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the Statement of Comprehensive Income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is

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experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

- Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the Statement of Comprehensive Income. Interest income (recorded as finance income in the Statement of Comprehensive Income) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the Statement of Comprehensive Income.

- AFS financial assets

For AFS financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the Statement of Comprehensive Income – is removed from OCI and recognised in the Statement of Comprehensive Income. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost. In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the Statement of Comprehensive Income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Statement of Comprehensive Income, the impairment loss is reversed through the Statement of Comprehensive Income.

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(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The only financial liabilities the Company has are trade payables. Refer to Note 13 for more detail.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Comprehensive Income.

(u) 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.

(v) New accounting standards and interpretations adopted

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Since 1 July 2017, Actinogen Medical has adopted all Accounting Standards and Interpretation, mandatory for annual periods beginning on or before 1 July 2017.

Adoption of these new and amended Standards and Interpretations did not have any significant effect on the financial position or performance of Actinogen Medical.

(w) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 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 9, and relevant amending standards	Financial Instruments	<p>AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs.</p> <p>Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.</p> <p>There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.</p> <p>Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the</p>	1 January 2018	1 July 2018

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Reference	Title	Summary	Application date of standard*	Application date for Company*
		<p>fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.</p> <p>For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.</p> <p>All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO.</p> <p>The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9.</p> <p>The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.</p> <p>Current status of impact assessment: The Company's only financial asset at the present time is the R&D Tax Rebate receivable with the ATO. Adoption of AASB9 is not expected to have a significant impact on the Company's measurement or presentation of this financial asset.</p>		
AASB 15 and relevant amending standards	Revenue from Contracts with Customers	<p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 Leases (or AASB 16 Leases, once applied).</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:</p> <ul style="list-style-type: none"> ▶ Step 1: Identify the contract(s) with a customer ▶ Step 2: Identify the performance obligations in the contract ▶ Step 3: Determine the transaction price ▶ Step 4: Allocate the transaction price to the performance obligations in the contract ▶ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. <p>Current status of impact assessment: The Company is currently in the early stages of the development of Xanamem and as such has not yet reached a stage where revenue is generated from commercial operations. As a consequence, the Company has not yet performed a detailed analysis of AASB15. Preliminary considerations of the adoption of AASB15 is not expected to have any impact on the Company until it is generating operational revenue.</p>	1 January 2018	1 July 2018
AASB 16	Leases	<p>AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those</p>	1 January 2019	1 July 2019

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Reference	Title	Summary	Application date of standard*	Application date for Company*
		payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. Current status of impact assessment: The Company has scheduled performing the impact assessment for AASB 16, which becomes applicable from 1 July 2019, for the first half of the 2019 financial year.		
AASB 2016-5	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payments</i>	This Standard amends AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: <ul style="list-style-type: none"> ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. 	1 January 2018	1 July 2018

3. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, (including interest rate risk and price risk), credit risk and liquidity risk. 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 by the Board of Directors in their day to day function as the overseers of the business.

Set out below is an overview of the financial instruments held by the Company as at 30 June 2018:

	Cash and cash equivalents	Loan and receivables	Available-for-sale
As at 30/6/2018	\$	\$	\$
Cash & cash equivalents	10,003,797	-	-
Trade and other receivables	-	3,532,414	-
Total current assets	10,003,797	3,532,414	-
Total assets	10,003,797	3,532,414	-
Financial liabilities:			
Trade and other payables	-	649,225	-
Total current	-	649,225	-
Total liabilities	-	649,225	-
Net exposure	10,003,797	2,883,189	-

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Set out below is an overview of the financial instruments held by the Company as at 30 June 2017:

	Cash and cash equivalents	Loan and receivables	Available- for-sale
As at 30/6/2017	\$	\$	\$
Financial assets:			
Available-for-sale-investments	-	-	2,094,833
Total non-current assets	-	-	2,094,833
Cash & cash equivalents	1,894,605	-	-
Trade and other receivables	-	1,374,868	-
Total current assets	1,894,605	1,374,868	-
Total assets	1,894,605	1,374,868	2,094,833
Financial liabilities:			
Trade and other payables	-	763,682	-
Total current liabilities	-	763,682	-
Total liabilities	-	763,682	-
Net exposure	1,894,605	611,186	2,094,833

(a) Market Risk

(i) Price risk

Equity price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market.

Equity price risk is minimised through ensuring that investment activities are undertaken in accordance with the Board's established mandate limits and investment strategies.

During the year the Company's main equity price risk exposure related to the Company's available-for-sale financial assets which comprised of various ASX-listed investments. All the investment assets were securities from major banks and were considered low risk investments, and during the year the Company sold its available-for-sale financial assets.

(ii) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities is as follows:

Variable rate instruments:

	2018		2017	
	\$	%		%
Cash and cash equivalents	10,003,797	1.02	1,894,605	1.2

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Sensitivity analysis:

	Carrying amount	Interest rate risk	
		-1%	+1%
		Profit	Profit
30 June 2018	\$	\$	\$
Financial Assets			
Cash	10,003,797	(100,038)	100,038
30 June 2017			
Financial Assets			
Cash	1,894,605	(18,946)	18,946

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's main credit risk exposure relates to the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets included in the Statement of Financial Position represents the Company's maximum exposure to credit risk in relation to those assets. The Company does not hold any credit derivatives to offset its credit exposure.

The Company trades only with recognised, credit worthy 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

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) Trade and other 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. This is because the current Research and Development Rebate Receivable is with the ATO, a reputable Australian government agency.

(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.

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(i) Financing arrangements:

The Company does not have any financing arrangements.

(ii) Maturities of financial liabilities:

The Company's only debt relates to trade payables, where payments are generally due within 30 days.

(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); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

There were no financial assets and financial liabilities to measure and recognise at fair value as at 30 June 2018.

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2017.

<u>As at 30/6/2017</u>	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale financial investments	2,094,833	-	-	2,094,833
Total financial assets	2,094,833	-	-	2,094,833

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid prices at the end of the financial year. These instruments are included in Level 1.

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective fair values, determined in accordance with the accounting policies disclosed in Note 2.

ACTINOGEN MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

- *Key estimates: Impairment*

The Company assesses impairment of all assets (including intangible assets) at each reporting date 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 trigger exists, the recoverable amount of the asset is determined.

- *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: Going concern basis*

For further information on going concern basis refer to Note 2 (b).

- *Key estimates: Intangible Assets*

For further information on intangible assets refer to Note 2 (i).

- *Key Estimates: Research & development tax rebate*

In line with accounting policy (m) Revenue recognition, research & development tax rebates are treated as government grants and are recognised 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.

5. 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 revenue is derived in Australia.

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

6. REVENUE, OTHER INCOME AND EXPENSES

	Full year ended 30/06/2018	Full year ended 30/06/2017
	\$	\$
Revenue		
Dividends received on listed investments	53,182	118,233
Interest Revenue	38,715	37,535
	91,897	155,768
<u>Other income</u>		
Export market development grant	50,838	44,964
Research and development tax rebate	3,158,000	1,214,754
Realised gain on sale of listed investments	42,445	-
<i>Total other income</i>	3,251,283	1,259,718
Total revenue	3,343,180	1,415,486
	Full year ended 30/06/2018	Full year ended 30/06/2017
	\$	\$
Expenses		
<i>Research and development ('R&D') expenses:</i>		
Research consultants	188,459	294,952
Administrative	72,842	90,372
Laboratory expenses	5,955,423	1,584,211
Travel & accommodation costs	265,057	180,295
R&D employee expenses	1,259,925	1,040,620
	7,741,706	3,190,450
Non-R&D employee expenses	195,493	175,173
	195,493	175,173

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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7. INCOME TAX

	Full-year ended 30/06/2018 \$	Full-year ended 30/06/2017 \$
Numerical reconciliation of operating loss to prima facie income tax expense		
Operating loss before income tax	(6,230,609)	(3,190,338)
Tax benefit at the Australian tax rate of 27.5% (2017: 27.5%)	(1,713,418)	(877,343)
Tax effect of amounts that are not deductible / taxable in calculating taxable income:		
Entertainment Expense	806	4,467
Share-based payments	65,866	29,264
Gain on Asset Disposal	2,671	-
Research and development	1,127,987	416,727
Future income tax benefit not brought to account	516,088	426,885
Income tax expense	-	-
	Full-year ended 30/06/2018 \$	Full-year ended 30/06/2017 \$
Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised.		
Potential tax benefit @ 27.5% (2017: 27.5%)	2,693,159	2,091,378
	2,693,159	2,091,378
Unrecognised temporary differences		
Temporary differences for which deferred tax assets have not been recognised.		
- Provisions and accruals	127,312	163,620
- Capital raising costs	850,152	409,302
- Patent application fees	72,842	-
	1,050,306	572,922
Unrecognised deferred tax asset relating to the above temporary differences @ 27.5% (2017: 27.5%)	288,834	157,554

The tax benefit of tax losses and other 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 not probable and the tax benefit of these tax losses and other temporary differences have not been recognised.

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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8. CASH AND CASH EQUIVALENTS

	As at 30/06/2018 \$	As at 30/06/2017 \$
Cash at bank and on hand	9,829,796	1,757,834
Short term deposits	174,001	136,771
Total cash and cash equivalents	10,003,797	1,894,605

During the year ended 30 June 2018, the Company's cash position increased due to a number of capital raisings and exercise of options. Refer the Directors' Report: Review of Operations: Section 7(v) and Note 14: Contributed Equity for further information on the capital raisings and exercise of options that occurred during the year.

Post year-end the Company continued to increase its cash position through the completion of its capital raisings and additional exercise of options; refer to Note 23: Events Occurring After the Reporting Period.

Furthermore, the Company is due to receive an estimated \$3,158,000 in other income which relates to the research and development rebate receivable recognised at year end. Refer to Note 9(c) below.

Reconciliation of net cash flows from operating activities

	Full year ended 30/06/2018 \$	Full year ended 30/06/2017 \$
Loss for the year	(6,230,609)	(3,190,338)
<u>Non cash items:</u>		
Realised loss from available-for-sale listed investments	(42,445)	3,042
Depreciation	2,540	7,117
Amortisation expense	353,500	353,501
Share-based payment expense	239,514	106,415
<u>Change in assets and liabilities:</u>		
(Increase)/decrease in receivables	(2,157,546)	1,591,408
Increase/(decrease) in trade creditors and other payables	(114,457)	(20,286)
Increase/(decrease) in employee entitlements	38,451	40,342
	(7,911,052)	(1,108,799)

Non-cash financing and investing activities

No non-cash financing and investing activities occurred during the year ended 30 June 2018.

Financing facilities available

As at 30 June 2018, the Company had no financing facilities available. 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.

ACTINOGEN MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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Interest rate risk exposure

The Company's exposure to interest rate risk is discussed in Note 3.

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. TRADE AND OTHER RECEIVABLES

	As at 30/06/2018 \$	As at 30/06/2017 \$
Prepayments (a)	47,375	33,024
Goods and services tax receivable (b)	312,904	127,090
Research and development tax rebate receivable (c)	3,158,000	1,214,754
Other receivable	14,135	-
Total trade and other receivables	3,532,414	1,374,868

(a) Prepayments

This amount relates to prepaid insurances.

(b) Goods and services tax receivable

This amount relates to net good and services tax (GST) paid during the quarter ended 30 June 2018.

(c) Research and development tax rebate receivable

This amount relates to the Research and Development Tax Rebate that the Company is entitled to claim on research and development costs incurred during the financial year.

None of the current receivables are impaired or past due but not impaired. Due to their short-term nature, carrying amounts approximate their fair value.

10. AVAILABLE-FOR-SALE LISTED INVESTMENTS

During the prior year the Company's available-for-sale listed investments comprised of securities from major banks; these are considered low risk investments. The fair value of listed investments in listed corporations is based on the bid price on the ASX prior to close of business on balance date.

	As at 30/06/2018 \$	As at 30/06/2017 \$
Listed investments at fair value	-	2,094,833
Fair value	-	2,094,833

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Movements during the year:

	As at 30/06/2018	As at 30/06/2017
	\$	\$
At beginning of the year	2,094,833	4,025,987
Proceeds on sale of available-for-sale listed investments	(2,060,671)	(1,982,451)
Realised loss on listed investments	(34,162)	(3,038)
Unrealised loss on listed investments	-	54,335
At end of the year	-	2,094,833

11. PROPERTY, PLANT AND EQUIPMENT

	As at 30/06/2018	As at 30/06/2017
	\$	\$
At cost	24,222	23,948
Accumulated depreciation	(24,222)	(21,682)
Total property, plant and equipment	-	2,266

Movements during the year:

	Plant and Equipment	Office Equipment	Computer Equipment	General Pool	Total
Balance at 1 July 2017	-	-	-	2,266	2,266
Acquisitions	-	-	-	274	274
Depreciation	-	-	-	(2,540)	(2,540)
Balance at 30 June 2018	-	-	-	-	-

	Plant and Equipment	Office Equipment	Computer Equipment	General Pool	Total
Balance at 1 July 2016	-	-	3,819	4,539	8,358
Acquisitions	-	-	-	1,025	1,025
Depreciation	-	-	(3,819)	(3,298)	(7,117)
Balance at 30 June 2017	-	-	-	2,266	2,266

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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12. INTANGIBLE ASSETS

	As at 30/06/2018	As at 30/06/2017
	\$	\$
At cost	5,756,743	5,756,743
Accumulated amortisation	(1,266,790)	(913,290)
Total intangible assets	4,489,953	4,843,453

Movements during the year:

	Intellectual Property \$
Balance at 1/7/2017	4,843,453
Amortisation expense	(353,500)
Balance at 30/6/2018	4,489,953
Balance at 1/7/2016	5,196,954
Amortisation expense	(353,501)
Balance at 30/6/2017	4,843,453

Intellectual property totalling \$4,489,953 comprises patents and licences initially acquired through Corticrine Limited. On 8 December 2014, Actinogen Medical entered into an Assignment of Licence Agreement with Corticrine 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.

The intellectual property is supported by seven patent families, the most recent of which will expire in 2031. 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. The Board has performed various internal and external assessments of potential impairment triggers during the financial year and have concluded there was no impairment. For further information refer to the accounting policy in Note 2.

13. TRADE AND OTHER PAYABLES

	As at 30/06/2018	As at 30/06/2017
	\$	\$
Trade payables	507,399	649,110
Accruals and other payables	25,500	78,065
Goods and services tax payable	108	-
NAB credit cards	54,574	1,747
Provision for payroll tax	27,445	11,723
PAYG payable	34,199	23,037
Total trade and other payables	649,225	763,682

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

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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14. CONTRIBUTED EQUITY

	As at 30/06/2018	As at 30/06/2017
	\$	\$
Fully paid ordinary shares (940,316,552)	43,514,541	28,858,391
Capital raising costs	(3,076,303)	(2,280,000)
Total contributed equity	40,438,238	26,578,391

(a) Share Capital

Ordinary shares: These shares entitle the holder to participate in dividends and the proposed winding up of the Company in proportion to the number and amount paid on the share held.

(b) Movement of fully paid ordinary shares during the period were as follows:

	Date	Quantity	Unit Price \$	Total \$
Opening balance 1 July 2016		606,693,558		26,308,391
Exercise of options	26/04/2017	10,000,000	0.020	200,000
Exercise of options	9/05/2017	3,500,000	0.020	70,000
Balance at 30 June 2017		620,193,558		26,578,391
Opening balance 1 July 2017		620,193,558		26,578,391
Capital Raising Tranche 1	8/12/2017	91,500,000	0.04	3,660,000
Capital raising costs	-	-	-	(219,600)
Less cancellation of loan shares	14/12/2017	(5,000,000)	0.02	(100,000)
Capital Raising Tranche 2	22/01/2018	40,500,000	0.04	1,620,000
Capital raising costs	-	-	-	(97,200)
Exercise of unlisted options	12/04/2018	3,000,000	0.02	60,000
Exercise of unlisted options	14/05/2018	3,000,000	0.02	60,000
Private Placement Tranche 1	28/05/2018	187,122,994	0.05	9,356,150
Capital raising costs	-	-	-	(479,503)
Balance at 30 June 2018		940,316,552		40,438,238

Refer to the Directors' Report: Review of Operations: Section 7(v) for further information on the capital raisings completed during the year.

(c) Reserve Shares

During a prior year (year ended 30 June 2015), the Company issued 45,000,000 shares, which are considered to be "in substance options' or rights ('LTI Rights') under Generally Accepted Accounting Principles, to various KMP by way of provision of a limited recourse, interest free loan (subject to approval at an Annual General Meeting of shareholders on 19 November 2014). The details of these LTI Rights are summarised below.

- 33,000,000 shares issued at \$0.02 each on 3 December 2014; and
- 12,000,000 shares issued at \$0.04 each on 12 December 2014.

ACTINOGEN MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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As at 30 June 2018, all LTI Rights have vested, except for the following:

- 3,000,000 Class I LTI Rights due to the performance milestones not being met as yet.
- 3,000,000 Class J LTI Rights due to the performance milestones not being met as yet.

During the year, the following LTI Rights were cancelled:

- 5,000,000 Class F LTI Rights: The shares attached to the 5,000,000 Class F LTI Rights were cancelled by the Company during the year due to the vesting condition not being met. However, the share-based payment expense attached to these LTI Rights, were reversed in the prior year ended 30 June 2017 according to when they were forfeited which was when former director, Mr Rogers, resigned from the Company on 30 November 2016.

Reserve shares	Date	Quantity	Unit Price \$	Total \$
Balance at 30 June 2016		(45,000,000)		(1,140,000)
Balance at 30 June 2017		(45,000,000)		(1,140,000)
Cancellation of unvested loan shares	14/12/2017	5,000,000	0.02	100,000
Balance at 30 June 2018		(40,000,000)		(1,040,000)

For more detailed information refer to Section 3(C) within the Remuneration Report and Note 21: Share-based payments.

(d) Share Options

As at 30 June 2018, there were 193,548,031 unissued ordinary shares under option:

Quantity	Type	Issue Date	Exercise Price	Expiry Date	Vesting Conditions	Comment
34,500,000	Unlisted Placement Options	12/12/2013	\$ 0.02	30/11/2018	None attached.	
2,900,000	Unlisted Employee Options (Tranche 1)	6/02/2017	\$ 0.10	5/02/2021	Vesting conditions apply.	(a)
5,000,000	Unlisted Director Options	24/03/2017	\$ 0.10	24/03/2022	Vesting conditions apply.	(b)
417,188	Unlisted Employee Options (Tranche 2)	12/07/2017	\$ 0.10	5/02/2021	None attached.	
1,500,000	Unlisted Director Options	1/12/2017	\$ 0.10	1/12/2022	Vesting conditions apply.	(c)
81,876,233	Listed Loyalty Options	21/12/2017	\$ 0.06	31/03/2019	None attached.	
66,000,000	Listed Placement Options	22/01/2018	\$ 0.06	31/03/2019	None attached.	(d)
417,110	Unlisted Employee Options (Tranche 3)	3/04/2018	\$ 0.10	5/02/2021	None attached.	
937,500	Unlisted Employee Options (Tranche 3)	3/04/2018	\$ 0.10	5/02/2021	Vesting conditions apply.	(e)
193,548,031	Total shares under option					

- (a) These options were issued to employees of the Company are subject to vesting conditions.
- (b) These options were issued to Dr Geoffrey Brooke (Appointed as Non-Executive Chairman on 1 March 2017) and are subject to vesting conditions.
- (c) These options were issued to Dr George Morstyn (Appointed as Non-Executive Director on 1 December 2017) and are subject to vesting conditions.
- (d) Options were issued following shareholder approval at the Extraordinary General Meeting of Shareholders held on 18 January 2018,
- (e) These options were issued to employees of the Company and are subject to vesting conditions.

ACTINOGEN MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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During the year the following options were exercised or lapsed:

Quantity	Type	Lapsed or Exercised	Lapsed Date / Exercise Date	Exercise Price	Comment
400,000	Unlisted Employee Options (Tranche 1)	Lapsed	2/01/2018	\$ 0.10	(a)
1,093,750	Unlisted Employee Options (Tranche 1)	Lapsed	22/09/2017	\$ 0.10	(b)
3,000,000	Unlisted Placement Options	Exercised	18/04/2018	\$ 0.02	
3,000,000	Unlisted Placement Options	Exercised	14/05/2018	\$ 0.02	
7,493,750	Total shares under options that were exercised or lapsed				

- (a) 400,000 options were forfeited due to the vesting condition of achieving a target of 65 patients dosed by 31 December 2017 having not being achieved by their vesting date (31 December 2017).
- (b) 1,093,750 options were forfeited during the year due to an employee ceasing employment with the Company.

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.

(e) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. 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.

(f) 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 and available-for-sale listed investments.

Consistent with the Company's objective, it manages working capital by issuing new shares, investing in and selling assets, submitting Research and Development rebates from 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 options reserve. The option reserve records items recognised as share-based payment ('SBP') expenses on valuation of employee and Director options. Details of the movement in reserves is shown below.

	As at 30/06/2018 \$	As at 30/06/2017 \$
Option Reserve	7,168,308	6,928,794
Available-for-sale Investments Reserve	-	76,607
Total reserves	7,168,308	7,005,401

ACTINOGEN MEDICAL LIMITED
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Movements in Option Reserve during the year:

	As at 30/06/2018 \$	As at 30/06/2017 \$
Option Reserve		
Balance at the beginning of the year	6,928,794	6,822,379
Share-based payment expense on LTI Rights	41,428	175,812
Lapse of Class F LTI Rights	-	(152,955)
Share-based payment expense on director options	130,068	41,996
SBP expense on employee options (Tranche 1)	76,388	61,142
Lapse of employee options (Tranche 1)	(37,078)	(19,580)
SBP expense on employee options (Tranche 2)	10,188	-
SBP expense on employee options (Tranche 3)	10,815	-
Share-based payment expense on director options	7,705	-
Balance at end of year	7,168,308	6,928,794

Refer to Note 14(d) for further information on unissued ordinary shares under option.

Refer to Note 21: Share-based payments for further information on share-based payments recognised and lapsed during the year.

Movements in Available-for-sale Investments Reserve during the year:

	As at 30/06/2018 \$	As at 30/06/2017 \$
Available-for-sale Investments Reserve		
Balance at the beginning of the year	76,607	22,272
Transfer of available-for-sale reserve upon disposal of available-for-sale-listed investments	(76,607)	-
Unrealised gain on available-for-sale listed investments	-	54,335
Balance at end of year	-	76,607

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16. EARNINGS PER SHARE

	Full-year ended 30/06/2018	Full-year ended 30/06/2017
	\$	\$
Basic EPS from continuing operations attributable to the ordinary shareholders of the Company (cents)	(0.88)	(0.52)
Weighted number of ordinary shares used as the denominator	705,094,056	609,009,996
Net loss used in calculating EPS	(6,230,609)	(3,190,338)
Diluted EPS from continuing operations attributable to the ordinary shareholders of the Company (cents)	(0.88)	(0.52)
Weighted number of ordinary shares used as the denominator	705,094,056	609,009,996
Net loss used in calculating diluted EPS	(6,230,609)	(3,190,338)

As at 30 June 2018, there were 193,548,031 unissued ordinary shares under option excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for the current period presented.

Subsequent to year end, 4,000,000 options unlisted options, exercisable at \$0.02 each and expiring on 30 November 2018, were exercised on 4 July 2018.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements. As at the date of this report, there are 189,548,031 unissued ordinary shares under option:

17. COMMITMENTS

Other than what is mentioned below, the Company has no future commitments existing as at 30 June 2018 (2017: Nil).

Rental Agreement

During the prior year the Company entered into a property rental lease agreement for a term of three years which commenced from 1 June 2018 with an option to renew for a period of three years from 1 June 2021 to 31 May 2024 included in the agreement. There are no restrictions placed upon the Company by entering into this lease. The lease includes a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2018 are as follows:

	As at 30/06/2018	As at 30/06/2017
	\$	\$
Within one year	96,180	119,419
After one year but not more than five years	184,345	-
More than five years	-	-
	280,525	119,419

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18. CONTINGENCIES

The Directors are not aware of any contingent liabilities or assets as at 30 June 2018 (2017: Nil).

Research and development claims recognised are subject to review within the time period stipulated by the Australian Tax Office ('ATO').

19. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel of Actinogen Medical Limited are listed below:

Name	Position	Appointed	Resigned
Dr Geoffrey Brooke	Non-Executive Chairman	1/03/2017	Current
Dr Bill Ketelbey	Managing Director / Chief Executive Officer	18/12/2014	Current
Dr Jason Loveridge	Non-Executive Director	1/12/2014	Current
Dr George Morstyn	Non-Executive Director	1/12/2017	Current
Dr Anton Uvarov	Non-Executive Director	16/12/2013	14/08/2017

(a) Key Management Personnel Compensation:

	Full-year ended 30/06/2018	Full-year ended 30/06/2017
	\$	\$
Short-term employee benefits	551,167	700,027
Post employment benefits	28,624	50,120
Share-based payment	171,029	203,346
	750,820	953,493

There were no other long-term benefits or termination benefits paid out during the years ended 30 June 2018 and 30 June 2017. The detailed remuneration disclosures and relevant interest of each Key Management Personnel in fully paid ordinary shares and options of the Company are provided in the audited Remuneration Report on pages 23 to 38.

20. RELATED PARTY TRANSACTIONS

(a) Transactions with Key Management Personnel

Details of transactions with Key Management Personnel are set out in Note 19. There were no other related party transactions that occurred during the year.

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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21. SHARE – BASED PAYMENTS

The table below summarises the options on issue (including the LTI Rights that are in substance options) that had share-based payments applied as at 30 June 2018:

Quantity	Type	Grant Date	Exercise Price	Expiry Date	Remaning life	Vesting Conditions	Reference below
28,000,000	LTI Rights Class A to Class G	19/11/2014	\$ 0.02	19/11/2019	1	Vesting conditions apply.	(a)
12,000,000	LTI Rights Class H to J	15/12/2014	\$ 0.04	15/12/2019	1	Vesting conditions apply.	(a)
5,000,000	Unlisted Director Options	24/03/2017	\$ 0.10	24/03/2025	7	Vesting conditions apply.	(b)
1,500,000	Unlisted Director Options	18/01/2018	\$ 0.10	1/12/2022	4	Vesting conditions apply.	(b)
2,900,000	Unlisted Employee Options (Tranche 1)	23/01/2017	\$ 0.10	5/02/2021	3	Vesting conditions apply.	(c)
417,188	Unlisted Employee Options (Tranche 2)	12/07/2017	\$ 0.10	5/02/2021	3	None attached.	(c)
417,110	Unlisted Employee Options (Tranche 3)	20/03/2018	\$ 0.10	5/02/2021	3	None attached.	(c)
937,500	Unlisted Employee Options (Tranche 3)	20/03/2018	\$ 0.10	5/02/2021	3	Vesting conditions apply.	(c)
51,171,798 Total shares under option							

(a) LTI Rights

During a prior year, ended 30 June 2015, 45,000,000 shares, which are considered to be "in substance options" or rights ('LTI Rights') under Generally Accepted Accounting Principles, were issued to various KMP at the time by way of provision of a limited recourse loan. They were independently valued using the Black-Scholes option valuation methodology taking into account the terms and conditions upon which the LTI Rights were granted. Due to the vesting conditions attached to these LTI Rights, they are expensed over the vesting period. Refer to Section 3(C)(b) within the Remuneration Report for further information on vesting conditions.

The approximate interest rate over a five year term was used. The assumed dividend payable in the next five years was deemed to be nil. A volatility of the share price fluctuation was calculated by considering the historical movement of the share price over 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 contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Company does not have a past practice of cash settlement for these awards.

The fair value of options granted during the prior year ended 30 June 2015 was estimated on the date of grant using the following assumptions:

- Dividend yield (%) nil
- Expected volatility (%) 100
- Risk-free interest rate (%) 5.0%
- Expected life (years) 5.0
- Weighted average share price (\$) 0.04

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Recipient	Grant Date	Class	Quantity of LTI rights as at 1 July 2017	Quantity of LTI Rights lapsed during the year (Note 1)	Quantity of LTI Rights as at 30 June 2018	Fair value per LTI Right	Total share-based payment valuation	Opening value of share-based payments expensed as at 1 July 2017	Value recognised during the year	Value lapsed during the year	Closing value of share-based payments expensed as at 30 June 2018	Value to be recognised in future years
J. Lov eridge	19/11/2014	Class A LTI Rights	3,000,000	-	3,000,000	\$ 0.0376	\$ 112,848	\$ 112,848	\$ -	\$ -	\$ 112,848	\$ -
J. Lov eridge	19/11/2014	Class B LTI Rights	3,000,000	-	3,000,000	\$ 0.0376	\$ 112,848	\$ 112,848	\$ -	\$ -	\$ 112,848	\$ -
M. Rogers	19/11/2014	Class C LTI Rights	7,500,000	-	7,500,000	\$ 0.0376	\$ 282,120	\$ 282,120	\$ -	\$ -	\$ 282,120	\$ -
M. Rogers	19/11/2014	Class D LTI Rights	7,500,000	-	7,500,000	\$ 0.0376	\$ 282,128	\$ 282,128	\$ -	\$ -	\$ 282,128	\$ -
M. Rogers	19/11/2014	Class E LTI Rights	5,000,000	-	5,000,000	\$ 0.0376	\$ 188,085	\$ 188,085	\$ -	\$ -	\$ 188,085	\$ -
M. Rogers (i)	19/11/2014	Class F LTI Rights	5,000,000	(5,000,000)	-	\$ 0.0376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
V. Ruffles	19/11/2014	Class G LTI Rights	2,000,000	-	2,000,000	\$ 0.0376	\$ 75,234	\$ 67,062	\$ 8,172	\$ -	\$ 75,234	\$ -
B. Ketelbey	15/12/2014	Class H LTI Rights	6,000,000	-	6,000,000	\$ 0.0365	\$ 218,886	\$ 185,630	\$ 33,256	\$ -	\$ 218,886	\$ -
B. Ketelbey	15/12/2014	Class I LTI Rights	3,000,000	-	3,000,000	\$ 0.0365	\$ 109,443	\$ 109,443	\$ -	\$ -	\$ 109,443	\$ -
B. Ketelbey	15/12/2014	Class J LTI Rights	3,000,000	-	3,000,000	\$ 0.0365	\$ 109,443	\$ 109,443	\$ -	\$ -	\$ 109,443	\$ -
Total Rights			45,000,000	(5,000,000)	40,000,000		\$ 1,491,035	\$ 1,449,607	\$ 41,428	\$ -	\$ 1,491,035	\$ -

- (i) The shares attached to the 5,000,000 Class F LTI Rights were cancelled by the Company during the year due to the vesting condition not being met. However, the share-based payment expense attached to these LTI Rights, were reversed in the prior year ending 30 June 2017 according to when the 5,000,000 Class F LTI Rights were forfeited which was when former director, Mr Rogers, resigned from the Company on 30 November 2016.

(b) Director Options

- (i) Director Options issued to Dr Geoffrey Brooke

5,000,000 Director options were granted to Dr Geoffrey Brooke as part of his appointment to the Board as Non-Executive Chairman. These options over shares will vest over a period of three years subject to meeting various vesting conditions. Refer to Section 3(C)(b) within the Remuneration Report for further information on vesting conditions.

The fair value of options granted have been valued using a Black-Scholes methodology, taking into account the terms and conditions upon which the share options were granted. The approximate interest rate over a five year term was used. 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 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 contractual term of the share options is eight years and there are no cash settlement alternatives for the employees. The Company does not have a past practice of cash settlement for these awards.

ACTINOGEN MEDICAL LIMITED
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The fair value of options granted during the prior year ended 30 June 2017 was estimated on the date of grant using the following assumptions:

- Dividend yield (%) nil
- Expected volatility (%) 100
- Risk-free interest rate (%) 2.61%
- Expected life (years) 5.0

Recipient	Grant Date	Quantity as at 1 July 2017	Quantity lapsed during the year	Quantity as at 30 June 2018	Fair value per option	Total share-based payment valuation	Opening value of share-based payments expensed as at 1 July 2017	Value recognised during the year	Value lapsed during the year	Closing value of share-based payments expensed as at 30 June 2018	Value to be recognised in future years
G. Brooke	24/03/2017	2,000,000	-	2,000,000	\$ 0.0491	\$ 98,114	\$ 26,343	\$ 71,771	\$ -	\$ 98,114	\$ -
G. Brooke	24/03/2017	1,500,000	-	1,500,000	\$ 0.0491	\$ 73,586	\$ 9,879	\$ 36,793	\$ -	\$ 46,672	\$ 26,914
G. Brooke	24/03/2017	1,500,000	-	1,500,000	\$ 0.0491	\$ 73,586	\$ 5,774	\$ 21,504	\$ -	\$ 27,278	\$ 46,308
Total		5,000,000	-	5,000,000		\$ 245,285	\$ 41,996	\$ 130,068	\$ -	\$ 172,064	\$ 73,222

(ii) Director Options issued to Dr George Morstyn

1,500,000 Director options were granted to Dr George Morstyn as part of his appointment to the Board as Non-Executive Director. These options over shares will vest over a period of three years subject to meeting various vesting conditions. Refer to Section 3(C)(b) within the Remuneration Report for further information on vesting conditions.

The fair value of options granted have been valued using a Black-Scholes methodology, taking into account the terms and conditions upon which the share options were granted. The approximate interest rate over a five-year term was used. 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 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 contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Company does not have a past practice of cash settlement for these awards.

The fair value of options granted during the prior year ended 30 June 2017 was estimated on the date of grant using the following assumptions:

- Dividend yield (%) nil
- Expected volatility (%) 60%
- Risk-free interest rate (%) 2.44%
- Expected life (years) 5.0

ACTINOGEN MEDICAL LIMITED
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Recipient	Grant Date	Quantity as at 1 July 2017	Quantity lapsed during the year	Quantity as at 30 June 2018	Fair value per option	Total share-based payment valuation	Opening value of share-based payments expensed as at 1 July 2017	Value recognised during the year	Value lapsed during the year	Closing value of share-based payments expensed as at 30 June 2018	Value to be recognised in future years
G. Morstyn	18/01/2018	700,000	-	700,000	\$ 0.0129	\$ 9,030	\$ -	\$ 5,220	\$ -	\$ 5,220	\$ 3,810
G. Morstyn	18/01/2018	400,000	-	400,000	\$ 0.0129	\$ 5,160	\$ -	\$ 1,491	\$ -	\$ 1,491	\$ 3,669
G. Morstyn	18/01/2018	400,000	-	400,000	\$ 0.0129	\$ 5,160	\$ -	\$ 993	\$ -	\$ 993	\$ 4,167
Total		1,500,000	-	1,500,000		\$ 19,350	\$ -	\$ 7,705	\$ -	\$ 7,705	\$ 11,645

(c) Employee Options

Under the Employee Option Plan (approved by shareholders on 12 November 2015), awards are made to employees of the Company. The Plan awards are delivered in the form of options over shares. The fair value of share options granted have been valued using a Black-Scholes methodology, 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. Refer to Section 3(C)(b) within the Remuneration Report for further information on vesting conditions.

During the year and prior year, various issue of options to employees were made and are outlined below:

- (i) 4,950,000 Employee Options were granted on 23 January 2017 (Tranche 1);
- (ii) 417,188 Employee Options were granted on 12 July 2017 (Tranche 2); and
- (iii) 1,354,610 Employee Options were granted on 20 March 2018 (Tranche 3).

- (i) Employee Options granted on 23 January 2017 (Tranche 1)

The approximate interest rate over a five year term was used. 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 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 contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Company does not have a past practice of cash settlement for these awards.

The fair value of options granted during the prior year ended 30 June 2017 was estimated on the date of grant using the following assumptions:

- Dividend yield (%) nil
- Expected volatility (%) 100%
- Risk-free interest rate (%) 2.17%
- Expected life (years) 5.0

ACTINOGEN MEDICAL LIMITED
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Recipient	Grant Date	Quantity as at 1 July 2017	Quantity lapsed during the year (Note 1)	Quantity as at 30 June 2018	Fair value per option	Total share-based payment valuation	Opening value of share-based payments expensed as at 1 July 2017	Value recognised during the year	Value lapsed during the year (Note 1)	Closing value of share-based payments expensed as at 30 June 2018	Value to be recognised in future years
V. Ruffles	23/01/2017	-	-	-	\$ 0.0352	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -
V. Ruffles	23/01/2017	312,500	(312,500)	-	\$ 0.0352	\$ 11,000	\$ 5,082	\$ 5,918	\$ (11,000)	\$ -	\$ -
V. Ruffles	23/01/2017	625,000	-	625,000	\$ 0.0352	\$ 22,000	\$ 5,389	\$ 12,450	\$ -	\$ 17,839	\$ 4,161
V. Ruffles	23/01/2017	1,250,000	-	1,250,000	\$ 0.0352	\$ 44,000	\$ 10,778	\$ 24,899	\$ -	\$ 35,677	\$ 8,323
T. Woolley	23/01/2017	200,000	-	200,000	\$ 0.0352	\$ 7,040	\$ 1,495	\$ 3,454	\$ -	\$ 4,949	\$ 2,091
P. Webse	23/01/2017	300,000	-	300,000	\$ 0.0352	\$ 10,560	\$ 2,243	\$ 5,180	\$ -	\$ 7,423	\$ 3,137
T. Russell	23/01/2017	-	-	-	\$ 0.0352	\$ 880	\$ -	\$ -	\$ -	\$ -	\$ -
T. Russell	23/01/2017	25,000	(25,000)	-	\$ 0.0352	\$ 880	\$ 407	\$ 473	\$ (880)	\$ -	\$ -
T. Russell	23/01/2017	50,000	-	50,000	\$ 0.0352	\$ 1,760	\$ 431	\$ 996	\$ -	\$ 1,427	\$ 333
T. Russell	23/01/2017	100,000	-	100,000	\$ 0.0352	\$ 3,520	\$ 862	\$ 1,992	\$ -	\$ 2,854	\$ 666
K. Boyd	23/01/2017	-	-	-	\$ 0.0352	\$ 5,500	\$ -	\$ -	\$ -	\$ -	\$ -
K. Boyd	23/01/2017	156,250	(156,250)	-	\$ 0.0352	\$ 5,500	\$ 2,541	\$ 2,959	\$ (5,500)	\$ -	\$ -
K. Boyd	23/01/2017	312,500	(312,500)	-	\$ 0.0352	\$ 11,000	\$ 2,695	\$ 3,138	\$ (5,833)	\$ -	\$ -
K. Boyd	23/01/2017	625,000	(625,000)	-	\$ 0.0352	\$ 22,000	\$ 5,389	\$ 6,276	\$ (11,665)	\$ -	\$ -
B. Rooney	23/01/2017	-	-	-	\$ 0.0352	\$ 2,200	\$ -	\$ -	\$ -	\$ -	\$ -
B. Rooney	23/01/2017	62,500	(62,500)	-	\$ 0.0352	\$ 2,200	\$ 1,016	\$ 1,184	\$ (2,200)	\$ -	\$ -
B. Rooney	23/01/2017	125,000	-	125,000	\$ 0.0352	\$ 4,400	\$ 1,078	\$ 2,490	\$ -	\$ 3,568	\$ 832
B. Rooney	23/01/2017	250,000	-	250,000	\$ 0.0352	\$ 8,800	\$ 2,156	\$ 4,979	\$ -	\$ 7,135	\$ 1,665
Total		4,393,750	(1,493,750)	2,900,000		\$ 174,240	\$ 41,562	\$ 76,388	\$ (37,078)	\$ 80,872	\$ 21,208

Note 1: During the year the following options lapsed due to forfeiture:

- 400,000 options forfeited due to the vesting condition attached to these options (this being, 65 patients enrolled by 31 December 2017) not being entirely met by 31 December 2017. Subsequently, the share-based payment expense of \$14,080 that was expensed during the vesting period was reversed as at 30 June 2018.
- 1,093,750 options forfeited due to the employee, Kerrie Boyd, ceasing employment during the year. Subsequently, the share-based payment expense of \$22,998 that was expensed during the vesting period was reversed as at 30 June 2018.

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(ii) Employee Options granted on 12 July 2017 (Tranche 2)

The approximate interest rate over a four year term was used. 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 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 contractual term of the share options is four years and there are no cash settlement alternatives for the employees. The Company does not have a past practice of cash settlement for these awards.

The fair value of options granted during the year ended 30 June 2018 was estimated on the date of grant using the following assumptions:

- Dividend yield (%) nil
- Expected volatility (%) 75%
- Risk-free interest rate (%) 2.29%
- Expected life (years) 4.0

Recipient	Grant Date	Quantity as at 1 July 2017	Quantity lapsed during the year	Quantity as at 30 June 2018	Fair value per option	Total share-based payment valuation	Opening value of share-based payments expensed as at 1 July 2017	Value recognised during the year	Value lapsed during the year	Closing value of share-based payments expensed as at 30 June 2018	Value to be recognised in future years
V. Ruffles	12/07/2017	234,375	-	234,375	\$ 0.0244	\$ 5,723	\$ -	\$ 5,723	-	\$ 5,723	-
T. Russell	12/07/2017	18,750	-	18,750	\$ 0.0244	\$ 458	\$ -	\$ 458	-	\$ 458	-
K. Boyd	12/07/2017	117,188	-	117,188	\$ 0.0244	\$ 2,862	\$ -	\$ 2,862	-	\$ 2,862	-
B. Rooney	12/07/2017	46,875	-	46,875	\$ 0.0244	\$ 1,145	\$ -	\$ 1,145	-	\$ 1,145	-
Total		417,188	-	417,188		\$ 10,188	\$ -	\$ 10,188	\$ -	\$ 10,188	\$ -

ACTINOGEN MEDICAL LIMITED
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(iii) Employee Options granted on 20 March 2018 (Tranche 3)

The approximate interest rate over a three year term was used. 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 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 contractual term of the share options is four years and there are no cash settlement alternatives for the employees. The Company does not have a past practice of cash settlement for these awards.

The fair value of options granted during the year ended 30 June 2018 was estimated on the date of grant using the following assumptions:

- Dividend yield (%) nil
- Expected volatility (%) 65%
- Risk-free interest rate (%) 2.101%
- Expected life (years) 3.0

Recipient	Grant Date	Quantity as at 1 July 2017	Quantity lapsed during the year	Quantity as at 30 June 2018	Fair value per option	Total share-based payment valuation	Opening value of share-based payments expensed as at 1 July 2017	Value recognised during the year	Value lapsed during the year	Closing value of share-based payments expensed as at 30 June 2018	Value to be recognised in future years
V. Ruffles	20/03/2018	296,875	-	296,875	\$ 0.0128	\$ 3,804	\$ -	\$ 3,804	\$ -	\$ 3,804	\$ -
T. Russell	20/03/2018	23,750	-	23,750	\$ 0.0128	\$ 304	\$ -	\$ 304	\$ -	\$ 304	\$ -
T. Miller	20/03/2018	37,110	-	37,110	\$ 0.0128	\$ 476	\$ -	\$ 476	\$ -	\$ 476	\$ -
T. Miller	20/03/2018	312,469	-	312,469	\$ 0.0128	\$ 4,004	\$ -	\$ 1,823	\$ -	\$ 1,823	\$ 2,181
T. Miller	20/03/2018	625,031	-	625,031	\$ 0.0128	\$ 8,009	\$ -	\$ 3,647	\$ -	\$ 3,647	\$ 4,362
B. Rooney	20/03/2018	59,375	-	59,375	\$ 0.0128	\$ 761	\$ -	\$ 761	\$ -	\$ 761	\$ -
Total		1,354,610	-	1,354,610		\$ 17,358	\$ -	\$ 10,815	\$ -	\$ 10,815	\$ 6,543

ACTINOGEN MEDICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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22. REMUNERATION OF AUDITOR

	Full-year ended 30/06/2018	Full-year ended 30/06/2017
	\$	\$
Amounts paid or payable to Ernst & Young for:		
- An audit or review of the financial statements of the entity	40,502	40,225
	40,502	40,225

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Other than what is mentioned below, there are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of the Company in subsequent financial years.

The following inflow of cash was due to the issue of fully paid ordinary shares subsequent to year end:

	Date	Quantity	Unit Price \$	Total \$
Exercise of unlisted options	4/07/2018	4,000,000	0.02	80,000
Private Placement Tranche 2	12/07/2018	112,877,006	0.05	5,643,850
Capital raising costs	-	-	-	(282,200)
Share Purchase Plan	13/07/2018	19,050,000	0.05	952,500
Share Purchase Plan Shortfall	17/07/2018	11,200,000	0.05	560,000
		147,127,006		6,954,150

ACTINOGEN MEDICAL LIMITED

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The Financial Statements and Notes set out on pages 41 to 79, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2018 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.
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 Bill Kefelbey
Managing Director
Sydney, New South Wales
29 August 2018

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 2018, 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 of the Company.

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 2018 and of its financial performance for the year ended on that date; and
- 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* (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 each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

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 these matters. 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 matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Research and development rebate

Why significant

The Company has lodged a claim with the Australian Taxation Office (ATO) for a rebate of eligible Research & Development (R&D) expenditure (R&D rebate program) relating to its ongoing research activities for the development of Xanamem. Included in trade and other receivables on the Statement of Financial Position is an amount for \$3.16 million related to the R&D rebate calculated for the year ended 30 June 2018. Due to judgment involved in determining whether expenditure incurred in R&D activities meets the eligibility criteria to qualify for inclusion in the R&D rebate calculation and the significance of this source of cash inflow for the Company, we considered this to be a key audit matter. Refer to Note 9 to the financial report.

How our audit addressed the key audit matter

We involved our R&D taxation specialists to assess the appropriateness of the R&D rebate calculated by the Company's third party expert.

We evaluated the qualifications, competency and objectivity of the Company's third party expert.

We assessed the Company's accounting treatment of the R&D rebate under Australian Accounting Standard - AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

2. Intangible assets

Why significant

Included in the Statement of Financial Position as at 30 June 2018 is an amount for \$4.49 million relating to intangible assets which consists of patents and licences. This amount represents 26% of total assets.

Due to the significance to the Company's financial report and level of judgment involved in assessing whether there are indicators of impairment present, we consider this to be a key audit matter. Refer to Note 12 to the financial report.

How our audit addressed the key audit matter

We evaluated the appropriateness of the Company's judgment and conclusion that there were no impairment indicators present as at 30 June 2018. In doing so, we examined the patent and license agreement, considered internal and external impairment factors and assessed the appropriateness of the amortisation period of the patents and licences pursuant to the requirements of Australian Accounting Standards.

3. Share based payments

Why significant

During the year ended 30 June 2018, The Company issued the following options:

- ▶ 1,771,198 options to employees of the company; and
- ▶ 1,500,000 options to a non-executive director of the company.

Under Australian Accounting Standards, equity settled awards are measured at fair value on grant date taking into consideration the probability of the vesting conditions attached. This amount is recognised as an expense over the relevant vesting period.

Due to the complex and judgmental estimates used in determining the valuation of the share based payments, we consider the Company's calculation of the share based payment expense to be a key audit matter. Refer to Note 21 to the financial report for details.

How our audit addressed the key audit matter

We assessed the assumptions used in the Company's calculation including the share price of the underlying equity, interest rate, volatility, time to maturity (expected life), grant date and granting criteria. We involved our valuation specialists in performing these procedures.

We assessed the adequacy of the share based payment disclosure in the financial report.

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 2018 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.

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.
- ▶ 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, related safeguards.

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 pages 23 to 38 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of the Company for the year ended 30 June 2018, 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.



Ernst & Young



T G Dachs
Partner
Perth
29 August 2018

ACTINOGEN LIMITED

SHAREHOLDER INFORMATION

Substantial shareholders

The following substantial shareholders have lodged notices with the company as at 3 August 2018:

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.	187,122,994	19.90%

Distribution of ordinary shareholders as at 3 August 2018

Range of Holding	Holders	Shares
1-1,000	40	2,863
1,001-5,000	87	274,724
5,001-10,000	241	2,127,582
10,001 - 100,000	1,069	46,454,882
100,001 – over	679	1,038,583,507
	2,116	1,087,443,558
Shareholders with less than a marketable parcel.	211	

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

Twenty Largest holders of quoted ordinary shares as at 3 August 2018

	Number of Shares	Percentage of Issued Capital
HSBC Custody Nominees (Australia) Limited	264,696,399	24.34
National Nominees Limited	48,799,117	4.49
Edinburgh Technology Fund Limited	48,147,864	4.43
JK Nominees Pty Ltd <The JK Fund A/C>	40,000,000	3.68
Citicorp Nominees Pty Ltd	23,041,153	2.12
CS Fourth Nominees Pty Ltd <HSBC Cust Nom Au Ltd 11 A/C>	22,139,577	2.04
Warambi Sarl	21,875,078	2.01
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd DRP	21,034,703	1.93
Mr Martin Rogers	20,000,000	1.84
Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	20,000,000	1.84
Bannaby Investments Pty Ltd <Super Fund A/C>	16,376,781	1.51
Denlin Nominees Pty Ltd	15,282,816	1.41
Tisia Nominees Pty Ltd <Henderson Family A/C>	14,717,184	1.35
Oaktone Nominees Pty Ltd	14,717,184	1.35
Mr Benjamin Cranstoun Dark <The Ben Dark Holdings A/C>	14,122,064	1.30
Tisia Nominees Pty Ltd <Henderson Family A/C>	13,150,000	1.21
BNP Paribas Nominees Pty Ltd <BNPP NYB Clearing Acc DRP>	13,143,792	1.21
Newfound Investments Pty Ltd <Newfound Super Fund A/C>	12,500,000	1.15
Dr John William Ketelbey	12,157,894	1.12
Ms Margaret Elizabeth Livingston	9,654,749	0.89
TOTAL	665,556,355	61.20

ACTINOGEN LIMITED

SHAREHOLDER INFORMATION

Twenty Largest holders of quoted \$0.06 31 March 2019 options as at 3 August 2018

	Number of Options	Percentage of Issued Capital
Ms Sihol Marito Gulton	10,000,000	6.76
Edinburgh Technology Fund Limited	6,419,715	4.34
Osiris Capital Investments Pty Ltd	5,500,000	3.72
Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	4,579,166	3.10
Bannaby Investments Pty Ltd <Super Fund A/C>	3,283,570	2.22
Mr Raymond Laurence Carroll	3,009,439	2.04
Kobia Holdings Pty Ltd	3,000,000	2.03
Warambi Sarl	2,916,677	1.97
Mr Martin Rogers	2,666,666	1.80
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd DRP	2,504,626	1.69
Cabletime Pty Ltd <Ingodwe A/C>	2,500,000	1.69
Denlin Nominees Pty Ltd	2,037,708	1.38
1215 Capital Pty Ltd	2,012,974	1.36
Oaktone Nominees Pty Ltd	1,962,291	1.33
Tisia Nominees Pty Ltd <Henderson Family A/C>	1,962,291	1.33
Donkey Trading Pty Ltd	1,956,150	1.32
Tisia Nominees Pty Ltd <Henderson Family A/C>	1,753,333	1.19
Tradewest Investments Pty Ltd	1,737,466	1.17
Citicorp Nominees Pty Limited	1,702,291	1.15
Dr John William Ketelbey	1,621,052	1.10
TOTAL	63,115,415	42.69

Unquoted Securities as at 3 August 2018

There were 30,500,000 unlisted options exercisable at \$0.02 each and expiring on 30 November 2018 held by five holders, on issue.

Details of the holders holding more than 20% of the above:

	Number of Options	Percentage
AH Super Pty Ltd <The AH Super Fund A/C>	15,000,000	37.04
Tisia Nominees Pty Ltd <Henderson Family A/C>	10,000,000	24.69
Oaktone Nominees Pty Ltd <Grist Investment A/C>	10,000,000	24.69
TOTAL	35,000,000	86.42

There were 4,671,798 unlisted employee share option plan options exercisable at \$0.10 each and expiring on 5 February 2021 held by seven holders, on issue.

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% of the above:

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

ACTINOGEN LIMITED

SHAREHOLDER INFORMATION

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% of the above:

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

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.