ASX ANNOUNCEMENT

ACW Appendix 4E and 2023 Annual Report

Sydney, 30 August 2023. Actinogen Medical ASX: ACW ("ACW" or "the Company") is pleased to announce its financial results for the year ended 30 June 2023.

The Appendix 4E and 2023 Annual Report documents are attached.

ENDS

Investors

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Announcement authorised by the Board of Directors of Actinogen Medical

About Actinogen Medical

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

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

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

Current and Upcoming Clinical Trials

The **XanaCIDD Phase 2a depression trial** is a double-blind, six-week proof-of-concept, placebo-controlled, parallel group design trial in 160 patients. Patients are evenly randomized to receive Xanamem 10 mg once daily or placebo, in some cases in addition to their existing antidepressant therapy, and effects on cognition and depression are assessed.

The **XanaMIA Phase 2b Alzheimer's disease trial** is a double-blind, 36-week treatment, placebo-controlled, parallel group design trial in 330 patients with mild to moderate AD and progressive disease, determined by clinical criteria and confirmed by an elevated level of pTau181 protein in blood. Patients receive Xanamem 5 mg or 10 mg, or placebo, once daily, and effects on cognition, function and progression of Alzheimer's disease are assessed. Thus, Xanamem is being assessed in this trial for its potential effects as a both a cognitive enhancer and a disease course modifier.

About Xanamem

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

Chronically elevated cortisol is associated with cognitive decline in Alzheimer's Disease and excess cortisol is known to be toxic to brain cells. Cognitive impairment is also a feature in Depression and many other diseases. Cortisol itself is also associated with depressive symptoms and when targeted via other mechanisms has shown some promise in prior clinical trials.

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

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

Disclaimer

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

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

ACTINOGEN MEDICAL LIMITED
APPENDIX 4E

1. Company details

Name of entity

ACTINOGEN MEDICAL LIMITED

ABN or equivalent company reference	Financial year ended ('reporting period')	Financial year ended ('previous corresponding period')
14 086 778 476	30 June 2023	30 June 2022

2. Results for announcement to the market

	30/6/2023 $	30/6/2022 $	Change %	Amount change $
Revenue from ordinary activities	366,654	41,072	793%	325,582
Loss from ordinary activities after tax attributable to members	(10,752,270)	(9,497,370)	13%	(1,254,900)
Net loss for the period attributable to members	(10,752,270)	(9,497,370)	13%	(1,254,900)
Net tangible asset per share (a)	0.006	0.011		

(a) Includes right-of-use asset

3. Statement of Comprehensive Income
Refer to attached financial statements.

4. Statement of Financial Position
Refer to attached financial statements.

5. Statement of Cash Flows
Refer to attached financial statements.

6. Statement of Changes in Equity
Refer to attached financial statements.

7. Dividends/Distributions
No dividends declared in current or prior year.

8. Details of Dividend Reinvestment Plan
Not applicable.

9. Details of entities over which control has been gained or lost during the period
Not applicable.

10. Details of associates and joint venture entities
Not applicable.

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

12. Foreign entities
Not applicable.

13. Commentary on results and explanatory information

Actinogen Medical Limited ('the Company') incurred a net loss after tax for the financial year ended 30 June 2023 of $10,752,270 (2022: $9,497,370)

	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Income		
Interest income	366,654	41,072
Other income:		
R&D tax rebate	4,887,935	3,640,082
Total other income	4,887,935	3,640,082
Total income	**5,254,589**	**3,681,154**
Expenses		
Research & development costs	(8,899,947)	(8,214,847)
Employment costs	(3,257,223)	(1,910,085)
Corporate & administration costs	(1,793,660)	(1,359,883)
Finance costs	(16,599)	(18,479)
Realised (loss) / unrealised gain on foreign currency	(117,172)	13,394
Share-based payment expenses	(1,516,650)	(1,287,955)
Amortisation expense	(312,746)	(312,746)
Depreciation expense (right-of-use asset)	(81,008)	(81,008)
Depreciation expense (office equipment)	(11,854)	(6,915)
Total expenses	**(16,006,859)**	**(13,178,524)**
Loss before income tax	**(10,752,270)**	**(9,497,370)**

Interest income increased during the year due to increased cash on deposit and increasing interest rates. The R&D tax rebate comprised an accrual of $3,883,834 relating to the financial year ended 30 June 2023 plus $1,004,101 relating to the prior year 30 June 2022 R&D tax rebate, which was an additional portion not recorded as a receivable as at 30 June 2022 but instead was recognised and recorded when received in the current year.

While all other expenditure remained comparable with prior year, employment costs increased due to higher employee numbers as the Company commenced additional R&D trial activities and incurred increased travel & accommodation expenditure. Additionally, corporate and administrative costs grew with increased business development and investor relations activities, and conference attendances. Share-based expenses (non-cash) increased due to additional allotments and amortisation of loan shares to employees, consultants and non-executive directors in the current year.

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

14. Audit

This report is based on accounts which have been audited.

Dr Steven Gourlay
Managing Director
Sydney, New South Wales
30 August 2023
Authorised for release by the Board of Directors.

Actinogen

Annual Report 2023

Contents

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

Highlights

The highlight of FY2023 was the strongly positive clinical biomarker Phase 2a trial data in patients with mild Alzheimer's disease

Reported clinically significant effects of Xanamem® in biomarker-positive patients with mild AD

Confirmed the utility of the blood biomarker pTau181 to select patients with progressive AD suitable for the Phase 2b trial

Identified and started qualifying sites for the Phase 2b AD trial in Australia, US, UK, Singapore and South Korea

Completed development and manufacturing of the to-be-marketed tablet formulation

Commenced further scale up manufacturing activities for drug substance

Successfully updated regulatory documentation with the FDA for the Phase 2b AD trial and new tablet formulation

Commenced XanaCIDD trial in patients with cognitive impairment and depressive disorder

Appointed esteemed neurologist Dana Hilt MD[1] as Chief Medical Officer based in Boston, USA

Appointed experienced drug developer Nicki Vasquez PhD as Non-Executive Director based in San Francisco, USA

Filed a new manufacturing patent to protect a key step in the chemistry process

Conducted the first two Clinical Trials Science Fora to share more detailed scientific information with shareholders

Dr Hilt gave an oral presentation on Xanamem clinical effects and pTau at the ADPD[2] conference in Sweden

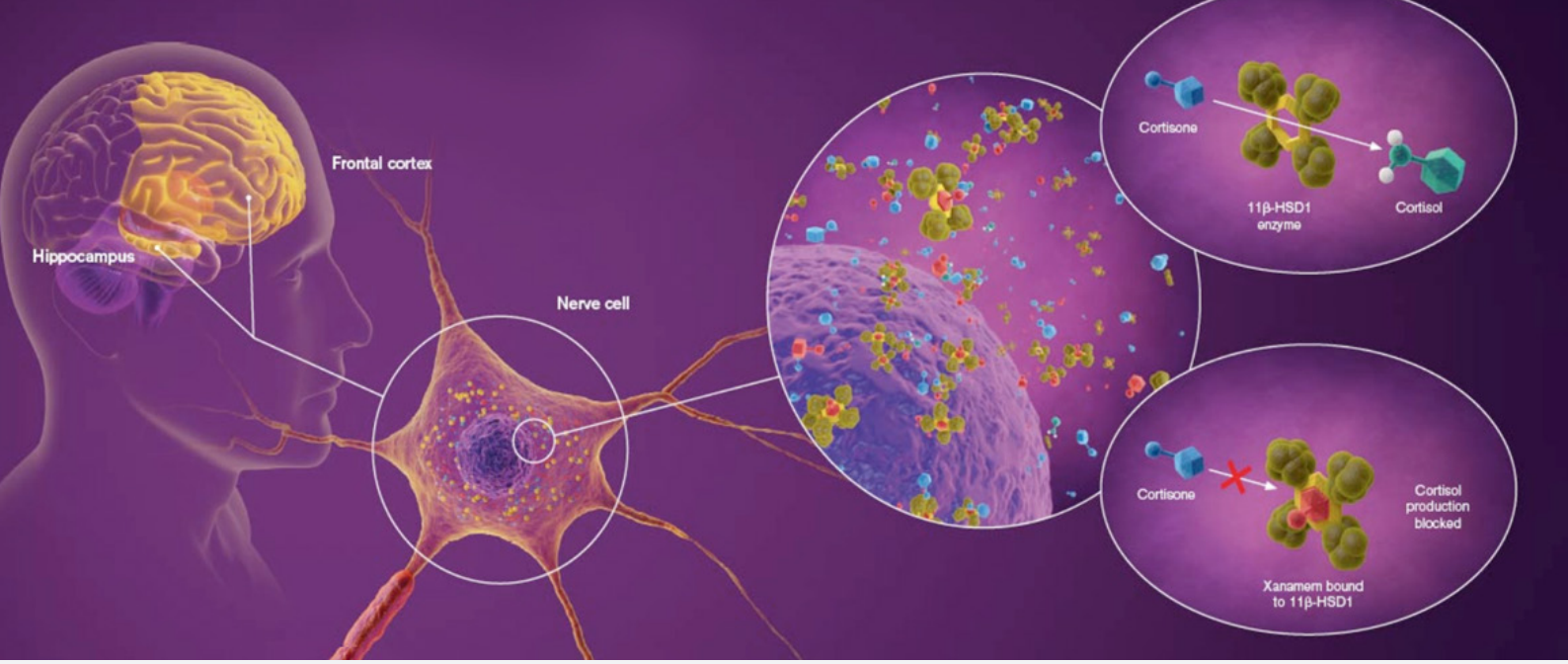
® Xanamem is a registered trademark of Actinogen Medical Limited

1 Dr Hilt replaced Dr Rolan, who continues as the Company's clinical pharmacologist and medical director for the XanaCIDD clinical trial

2 The International Conference on Alzheimer's and Parkinson's Diseases and related neurological disorders

The Xanamem Pipeline

	Phase 2 placebo-controlled trials	Outlook
Cognitive impairment in early **Alzheimer's disease**	**Phase 2b in patients with early AD and elevated blood pTau**	*Pivotal trials examining cognitive enhancement and reduced disease progression*
Depression with cognitive impairment	**Phase 2a in patients with cognitive impairment and depression**	*Pivotal trials assessing effects on both depression and cognition*
Anxiety, sleep & behavioural problems in **Fragile X syndrome**	**Proof-of-concept in adolescent and young adult males**	*Pending alternative funding e.g. partnerships or grants*



How Xanamem Targets Non-amyloid Disease Mechanisms via Cortisol in Alzheimer's Disease

Xanamem[1] is a unique molecule that reaches its target in the brain

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

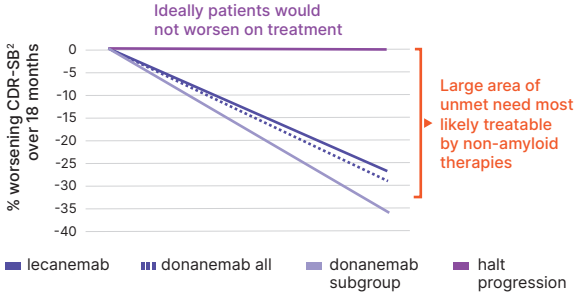
The Company's recent XanaMIA Part A trial confirmed Xanamem's ability to rapidly enhance attention and working memory (referred to as cognition – the ability to think and remember things). These findings replicated the pattern of improvement seen in the prior XanaHES trial in healthy older volunteers. In addition, large beneficial clinical effects were seen in patients with mild AD and elevated blood pTau protein (to indicate progressive AD). Recent human target engagement data for the drug in the brain suggests good activity of doses as low as 5mg daily. Clinical safety data have been collected from more than 340 individual patients or volunteers.

The Company is undertaking a Phase 2b placebo-controlled trial evaluating Xanamem in the treatment of mild to moderate AD, where some functional impairment (difficulty completing activities of daily living) is also present and patients have an elevated level of pTau in the blood to indicate progressive disease. It is also conducting a Phase 2a placebo-controlled trial measuring the effects of Xanamem on safety, cognitive performance and depression in patients who are inadequately treated by their anti-depressant medication and have both depressive symptoms and cognitive impairment.

The cortisol hypothesis targets 'the amyloid gap'

Xanamem was developed in response to a large body of evidence from non-clinical and human studies implicating elevated brain cortisol in cognitive decline. Animal non-clinical studies show 11β-HSD1 inhibition protects against long term cognitive decline independent of continued amyloid formation. Recently, newer anti-amyloid intravenous infusions have been shown to rapidly remove amyloid protein from the brains of people with AD, resulting in a slowing of clinical progression by approximately 30% (refer Figure footnote 1 below). More is needed to halt progression completely and this almost certainly will come from other approaches such as that of Xanamem (Figure).

Newer anti-amyloid antibodies shown to slow but not halt progression of AD[1]



Drugs targeting other mechanisms like Xanamem are needed

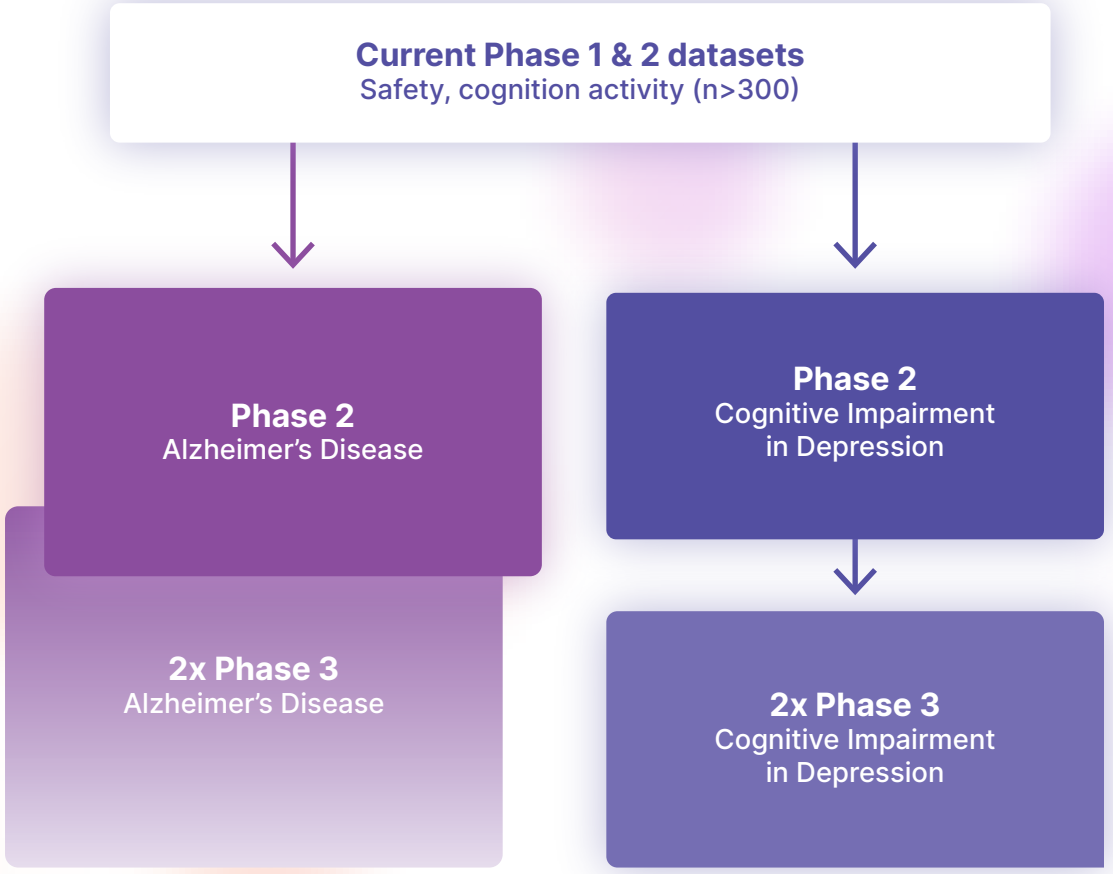
1 Lecanemab and donamemab are anti-amyloid antibodies given as an intravenous infusion every 2 or 4 weeks (van Dyck et al. 2022; DOI: 10.1056/NEJMoa242182 n9=1795 and Sims JR at al.JAMA. Published online July 17, 2023. doi:10.1001/jama.2023.13239

2 CDR-SB is an 18-point scale measuring functional status and was the primary endpoint for lecanemab and a secondary endpoint for donanemab

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

Clinical Trials Program Overview

Phase 2 and 3 trials to achieve marketing approvals



Chair's Letter

Dear Shareholder,

I am pleased to present to you the Actinogen Medical Annual Report for the financial year ended 30 June 2023.

The Company has again made significant progress in its clinical pipeline activity focused on the successful development of our novel, small molecule drug, Xanamem, to treat illnesses such as Alzheimer's disease and cognitive impairment in depression. Reducing excess cortisol inside brain cells has the powerful potential for positive impact in the lives of patients and their families suffering from many neurological and neuropsychiatric conditions where there is substantial unmet medical need.

In the face of challenging market headwinds this year in the small cap biotech sector and capital markets in general, we have delivered positive clinical data and commenced enrolment in our Phase 2a trial of cognitive impairment in depressive disorder (CIDD). We continue to be guided by our strategic objectives of accelerating clinical development in cognitive impairment, forward planning, and creating value from partnerships. In so doing we adhere to high quality trial design and conduct so that we optimize the chances of success and drive value for shareholders.

Further details on the Company's strategic priorities for FY2024 are shown in the Vision and Strategy sections of this annual report on pages 10 and 11.

Executive leadership

CEO Dr Steven Gourlay has once again provided excellent, proactive executive leadership of all aspects of the Actinogen business over the past year. The board was delighted when he announced positive results from the Phase 2a clinical biomarker trial in October 2022, which validated Xanamem's cortisol mechanism of action and the design of the Xanamem AD program.

Following the release of those new results, we were able to recruit renowned neurologist Dr Dana C. Hilt MD to our executive leadership team in February as the Company's Chief Medical Officer (CMO) reporting to Dr Gourlay. US-based Dr Hilt brings world-leading expertise and experience to the role as an eminent neurologist and a clinical trial specialist in Alzheimer's disease, depression, and other neurologic and neuropsychiatric diseases.

Dr Gourlay and Dr Hilt now form a powerful senior management team for presentations and conferences. They have attended all the important international AD conferences and key partnering meetings over the past year. I am confident that Dr Gourlay and Dr Hilt will lead the Company in 'following the science' with distinction in the coming year with the help of our other highly experienced staff. We are pleased that former CMO, Professor Paul Rolan continues to provide valuable expert supervision for our clinical pharmacology and depression programs.

The Company continues to fill vital organisational and consultant roles to ensure the success of the clinical development program. Key appointments included a Global Program Lead based in the USA, along with several clinical operations team members in Australia.

Board and corporate governance

In March, the Board was pleased to announce the appointment of US-based Dr Nicki Vasquez PhD as an independent non-executive director. Dr Vasquez is an immunologist and biopharmaceutical executive with more than 25 years of biopharmaceutical discovery research and development experience. She strengthens the Actinogen Board with her skills and experience in strategic licensing, partnering and alliance management as well as a strong depth of knowledge in clinical development.

Dr Vasquez is currently Chief Portfolio Strategy & Alliance Officer at Sutro Biopharma, a clinical stage oncology company in San Francisco where she is responsible for program management, portfolio strategy, and alliance management. We welcome Dr Vasquez to the Actinogen board.

The board seeks continuous improvement in its governance and management oversight capability. During the past year we conducted a review of all activities and responsibilities, including the Board skills matrix to identify gaps and opportunities for improvement. We updated our diversity policy to reflect a greater emphasis on inclusion. These and other corporate governance materials are posted on our website. We will continue to assess the skills suitable for the Board and, where appropriate, make changes and/or additions.

Depression & cognition advisory board appointment

The Company welcomed esteemed Singapore-based clinical expert in dementia, Associate Professor Christopher Chen BMBCh, MRCP, FAMS (neurology), FRCPE to the Company's Depression & cognition Advisory Board during the year. Associate Professor Chen is a Senior Clinician-Scientist at the Departments of Pharmacology and Psychological Medicine, Yong Loo Lin School of Medicine, National University of Singapore, and Director of the Memory Aging and Cognition Centre, National University Healthcare System.

Actinogen represents a unique opportunity with near-term Phase 2a data for the XanaCIDD trial less than 12 months away

We continue to utilise world-leading advisors to drive our strategic initiatives and ensure the success of our clinical development programs.

Further details on all Actinogen board, advisory board and senior executive personnel can be found on the Company's website: https://actinogen.com.au/our-team/

I would like to thank all our dedicated staff, the executive team, our esteemed advisory boards, and my fellow corporate board members for their strong contributions to the success of the Company in FY2023.

Capital raising

On 2 August 2023 the Company announced a post balance date non-renounceable pro-rata rights issue offer (also known as an entitlement offer) to existing shareholders to raise a maximum of approximately $10 million before costs.[1]

We are pleased to offer this opportunity to our existing shareholders as we believe that this rights offer, which is still current as at the date of this annual report, is a highly attractive investment. In summary, it offers shareholders the ability to:

- Acquire 1 new share for every 4.54 Shares held at an issue price of 2.5 cents per new share
- Receive for no additional payment 1 new unlisted option (with an exercise price of 3.75 cents and an expiry date 36 months from the date of issue) for every 2 new shares issued
- Apply for any number of additional shares (and corresponding new options) if shareholders subscribe for their full pro rata entitlement initially (known as a top up offer).

A prospectus was released to the ASX and ASIC on 8 August and letters were distributed to shareholders on the day the offer opened, 17 August 2023. I strongly encourage shareholders to accept the offer prior to the closing time of 7pm AEST on 4 September 2023.

If shareholders have not yet received a letter via email or mail, please contact the Company's share registrar, Automic, to register your email address for urgent delivery of your personalized offer document and instructions on how to participate in the offer. Automic's contact details are shown in the box below.

If you have any questions in relation to the current rights issue or your shareholding in Actinogen, please contact Automic at **hello@automicgroup.com.au** or on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia). Visit the Automic website **https://investor.automic.com.au/#/home** to register as an ACW shareholder or log in to your existing account.

On 15 August 2023 the Company announced a substantial and binding commitment from Defender Asset Management Pty Ltd and McFarlane Cameron Pty Ltd for $4.56 million in aggregate if there is a shortfall in funds raised under the offer.

Directors also reserve the right to place any shortfall in subscriptions for new shares (and corresponding new options) to qualifying investors for 3 months after the offer closes on 4 September 2023.

Actinogen remains in a solid financial position with $8.5 million in cash as at 30 June 2023, prior to the addition of net cash raised in the rights issue. Additional funds of at least $3.8 million are expected from the R&D tax incentive cash refund in the coming months.

Annual General Meeting

This year's Annual General Meeting will return to its traditional in-person format. It will be held in Sydney on Wednesday 8 November 2023, and we invite shareholders to attend. Details of the meeting time and location will be announced in due course.

Outlook

Actinogen has completed another year of achievement and progression of our clinical development pipeline, particularly with the announcement of the results of the Phase 2a clinical biomarker trial which validated Xanamem's cortisol mechanism of action and allowed us to simulate the next phase 2b trial in AD.

The board is confident in the Company's prospects in FY2024 and beyond with two major clinical readouts in the next 18 months reflecting the hard work and dedication of the Actinogen team. The XanaCIDD depression trial that is expected to report results in the first half of calendar 2024, followed by the interim analysis of the XanaMIA Phase 2b trial in patients with AD, expected in early 2025.

The board and management team remain committed to proactive management of all aspects of our business and the successful execution of our strategic priorities to ensure the best possible outcomes for shareholders.

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

Dr Geoff Brooke
Chair
30 August 2023

[1] Unless stated otherwise, all financial data is in Australian dollars

Chief Executive Officer's Letter

Dear Shareholder,

Continuing to 'follow the science'

As we outlined in our Clinical Trials Science Forum held in early August 2022, Actinogen's clinical trials in Alzheimer's disease and cognitive impairment in major depressive disorder are predicated on ensuring that we hit the 'right' criteria for successful, precision drug development:[2]

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

Alzheimer's disease (AD)

The new clinical data generated during the year was a critical and important confirmation of the clinical benefit of Xanamem at the right 10 mg dose level.

The primary finding of the trial, conducted under a pre-specified double-blind analysis, was that Xanamem 10 mg produced clinical and cognitive benefit in patients with elevated blood pTau-181.[3] Levels above the median value of 6.74 pg/mL (n=34) or 10.2 pg/mL (n=9) identified patients who had a clinically significant therapeutic benefit from Xanamem compared with placebo. The average effect size was approximately 0.6 to 0.8 points on the CDR-SB scale[4], measuring cognition and function, which is widely used in modern trials of early-stage AD.

While the trial was not designed to be large enough or long enough to achieve statistical significance, the clinical effect size, measured by the Cohen's d statistic of 0.41, was very large for the AD field and supports the effectiveness of Xanamem in this patient population (p = 0.09).

In drug development, clinical safety data is equally important as efficacy data. Notably, the clinical safety profile of Xanamem continues to look promising, with no Serious Adverse Events attributed to the drug in more than 300 people treated for up to 12 weeks.

Our strategy is to complete our XanaCIDD trial by June 2024 and repeat and extend our positive clinical data in a larger and longer Alzheimer's disease trial

With the new clinical data in hand to intelligently simulate and design the next Phase 2b trial, a design was chosen that enables assessment of Xanamem's effects on *both* cognition, via a series of mental exercises, as well as clinical function, measured with endpoints like the CDR-SB and activities of daily living scores.

Thirty-six weeks duration was chosen to enable a long enough time for Xanamem treatment effects to become evident in AD patients, especially those effects of improving clinical function (slowing progression). The trial is further enhanced by using our new, to-be-marketed tablet formulation.

Results are anticipated by the end of 2025, with an interim analysis expected in early 2025. In my view, this trial has a relatively high probability of success given the independent efficacy observations from three separate trials to date and our ability to simulate it with prior Phase 2a data.[5]

Cognitive impairment in depression (CIDD)

There is an extensive database of clinical literature to suggest that reducing brain cortisol levels is a promising strategy for the treatment of depression.[6] Because Xanamem achieves good target inhibition in the brain with doses of 10 mg, our placebo-controlled XanaCIDD Phase 2a trial should definitively answer the question on whether or not the *cortisol hypothesis* is relevant in depression. Previously, the computerized cognitive testing system used as the primary endpoint in

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

[3] P-Tau181 is elevated in patients with AD.

[4] CDR-SB is the *Clinical Dementia Rating - Sum of Boxes*, an FDA approved rating scale

[5] See the biomarker trial data announced 10 October 2022

[6] Meta-analysis of prior trials aimed at reducing cortisol, Ding et. al 2021

The key highlight of the year was demonstrating a clinical and cognitive benefit of Xanamem in patients with biomarker-positive, mild Alzheimer's disease

XanaCIDD showed a Xanamem treatment benefit in two independent placebo-controlled trials of older volunteers.

By the end of July 2023 approximately 25% of the target 160 participants had been enrolled in Australia in the 6-week treatment protocol and results are expected in Q2 CY 2024. Unheralded industry-wide delays by the UK regulatory authorities slowed our trial expansion. This is being actively mitigated by opening clinical sites in the US. We have now finally received approval from the UK and will open a number of preferred sites there next month.

Business development & partnering

Business development and partnering remains an ongoing focus for the Company and we continue to see a high level of interest in our programs despite the challenging biopharma market conditions with markedly reduced merger and funding activity in the sector.

We attended an increased number of important international conferences during the year in person to enhance Actinogen's credentials as a Phase 2 clinical-stage company and facilitate potential partner engagement and relationship building.

The highlight presentation of the year was by our CMO, Dr Dana Hilt MD, who gave an oral presentation on our new data on Xanamem clinical effects and blood pTau levels at the March ADPD academic conference in Sweden.[7] There is significant activity and interest in blood biomarkers for the diagnosis of AD as they may potentially avoid expensive and hard-to-access Positron Emission Tomography (PET) scans of the brain. It is likely that several blood tests for pTau will support the diagnosis of AD in the future, making diagnostic testing widely available to general practitioners. Actinogen will partner with a leading diagnostics company for the upcoming Phase 2b trial.

Other meetings included a CEO presentation at the Sach's Neuroscience meeting and Biopartnering @JPM associated with the 41st annual JP Morgan HealthCare Conference in San Francisco in January, and the annual BIO International Convention in Boston, USA in June, where Dr Hilt and I conducted more than 30 partnering meetings.

We continue to develop relationships and explore potential business development partnerships in regional areas and globally.

Good Manufacturing Practice (GMP) manufacturing

The successful manufacturing of Xanamem drug substance and a to-be-marketed formulation of tablets was a major milestone for the Company during the year.

This was driven by our expert manufacturing team based in the San Francisco Bay Area, with drug substance manufactured by Corden Pharma in Switzerland and formulated into tablets by Catalent in the US.

Because Xanamem is a low dose drug we are in the fortunate position of needing only modestly sized manufacturing runs to complete the clinical trial program. Scale up batches will be made in the coming year to further validate the commercially-ready manufacturing process.

Xanamem's data keeps getting stronger

Xanamem's promising story as a breakthrough oral therapy for Alzheimer's disease and many other illnesses continues to mature, with our latest trial analysis showing a large clinical effect on CDR-SB in patients with mild AD.

This dataset effectively simulated the Phase 2b clinical trial using similar patients and the same blood biomarker that will be used in that trial, giving us increased confidence of a positive outcome.

We are delighted with our success in the past year, and I would like to extend my thanks to the team for all of their hard work.

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

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

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

Yours sincerely,

Dr Steven Gourlay,
CEO & Managing Director
30 August 2023

[7] ADPD™ 2023: The *International Conference on Alzheimer's and Parkinson's Diseases and related neurological disorders.* Data also presented at the *Alzheimer's Association International Conference* (AAIC) in Amsterdam in July.

Vision and Strategy

Our Fundamentals

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

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

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

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

FY2024 Strategic Priorities

Forward planning

- Complete additional manufacturing for scale-up and supply of future clinical trials
- Use to-be-marketed tablet formulation in all future trials
- Integrate global regulatory strategic planning to optimize path to marketing approvals
- Plan and conduct required regulatory nonclinical studies to the Good Laboratory Practice standard
- Plan and conduct ancillary clinical pharmacology studies required for marketing approvals

Accelerate clinical development in cognitive impairment

- Build on improved attention and working memory in two independent, placebo-controlled trials
- Complete Phase 2a trial now underway in patients with cognitive impairment and depressive disorder (XanaCIDD).
- Build on large Xanamem effect seen in patients with mild AD and elevated pTau181 protein in the blood (an indication of progressive AD)
- Initiate Phase 2b trial in patients with the early stages of Alzheimer's disease and elevated pTau (XanaMIA Part B)
- Leverage 'hands on' clinical operations and management based in Australia to speed timelines and reduce cost

Create value from partnerships

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

Operating & Financial Review

1. PRINCIPAL ACTIVITIES

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

2. OPERATIONS REVIEW

Highlights: 'Following the Science'

Xanamem program and cortisol target validated by Phase 2a clinical biomarker trial results showing large clinical benefit on CDR-SB endpoint

Advancing two major Phase 2 clinical trial programs:

- Enrolment increasing over the first six months in the XanaCIDD Phase 2a depression clinical trial at Australian sites- UK and US sites opening soon, and results expected in H1CY24
- US Food and Drug Administration (FDA) approval to proceed with XanaMIA Phase 2b Alzheimer's disease trial - startup phase progressing well, and final results expected in H2CY25 with an interim analysis in early CY25
- Completed development and manufacturing of the new and to-be-marketed tablet formulation for use in the XanaMIA Phase 2b clinical trial and all future trials.

Strengthened the team:

- Appointed new independent non-executive director Nicki Vasquez PhD, new CMO Dr Dana Hilt MD, and clinical advisor A/Professor Christopher Chen
- Expanded the operational team by appointing a global project manager in the US and additional clinical trial personnel in Australia.

Completed the Company's first and second Clinical Trials Science Forum webinars to inform and educate investors on the science behind Xanamem, anti-amyloid drugs and the Company's clinical trials program.

Presented at numerous international and Australian AD, investment and partnering meetings.

The 2023 financial year was successfully marked by major milestones and events for Actinogen:

Announced positive AD biomarker Phase 2a trial result - large clinical benefit shown that validates Xanamem program:

- The **Phase 2a clinical biomarker trial** was conducted in 72 patients with available blood biomarker samples from the prior Phase 2a placebo controlled XanADu trial of 185 patients. Patients in the original trial had an unconfirmed, clinical diagnosis of mild AD, and were treated with Xanamem 10 mg or placebo once daily for 12 weeks
- The positive result announced on 10 October 2022 showed **clinically significant effects on key endpoints** (CDR-SB and cognition)[8] in patients with biomarker-positive AD. The effects on cognition were consistent with the positive pattern of improvement in attention and working memory from previous healthy volunteer trials
- **The analysis validated the design and outcome measures of the upcoming XanaMIA Phase 2b trial** in patients with mild to moderate AD by essentially simulating the trial in a prospectively defined and double-blind analysis of similar patients (see next page).

Advancing Phase 2 trial programs:

- **XanaCIDD Phase 2a depression clinical trial:**
    - Commenced the XanaCIDD Phase 2a depression trial in 160 patients with cognitive impairment associated with persistent major depressive disorder (MDD) in December 2022
    - After the expected slower pace of the start-up phase, trial enrolment is now progressing well - Australian sites are now open for recruitment and actively screening, enrolling, and treating patients, with enrolment at more than 25%. New sites are being opened in the USA to compensate for industry-wide regulatory delays in the UK[9] and to ensure that timelines are maintained. Approval from the UK regulator has just been received. Sites are expected to open in the UK in September and the USA in October 2023
    - Signed contracts with suppliers worth approximately US$3 million to provide clinical development services
    - Results are anticipated in H1 CY2024.

[8] Clinical Dementia Rating Scale – Sum of Boxes (CDR-SB) is a measure of patient functional abilities and a composite of cognitive tests of mental abilities considered a measure of "executive function"
[9] Industry-wide delays in The Medicines and Healthcare products Regulatory Agency (MHRA) approval processes has prevented XanaCIDD trial center activation in the UK until 22 August 2023

- **XanaMIA Phase 2b Alzheimer's disease clinical trial:**
    - Site feasibility and other startup activities for the XanaMIA Phase 2b clinical trial of Xanamem in patients with mild to moderate Alzheimer's disease continue to progress well with a view to enrolling the first patient before the end of CY23. Numerous enthusiastic global trial centers for early activation have been identified in Australia, Canada, the USA, Singapore, and South Korea
    - On 5 June 2023, the Company submitted updated regulatory documentation to the FDA including the updated clinical protocol and quality documentation for the new tablet formulation of Xanamem. The 30-day waiting period for FDA feedback has passed, so the Company may proceed with the trial and new tablets as planned
    - Results are anticipated in H2 CY2025, with an interim analysis expected in early CY2025.
- **Manufacturing milestone:**
    - Successfully completed development and manufacturing of the new and to-be-marketed tablet formulation for use in the XanaMIA Phase 2b clinical trial
    - This is a notable milestone that enables the Company's planned, rapid expansion of its trial program upon a positive result from the phase 2a depression trial next year.

Strengthening the team:

- **Appointed US-based highly experienced neurologist and trials expert Dr Dana Hilt MD as CMO** effective 1 February 2023
- **Appointed highly credentialled immunologist and experienced US-based biopharma executive Dr Nicki Vasquez PhD** to the board as an independent non-executive director effective 1 March 2023
- **Appointed esteemed Singapore-based clinical expert in dementia, Associate Professor Christopher Chen BMBCh, MRCP, FAMS (neurology), FRCPE** to the Company's Depression & Cognition Advisory Board
- **Continued to fill vital operational roles** to ensure the success of the clinical development program. Appointees included:
    - A Global AD Program Lead based in the USA, along with several clinical operations team members in Australia. The Actinogen 'hands on' operational model aims to increase trial quality and decrease cost by using Actinogen staff to closely supervise the performance of trial centers and other partner organizations.

Clinical Trials Science Forum presentations to investors:

- **Initiated the Actinogen Clinical Trials Science Forum (CTSF) in August 2022** to inform and educate a broad audience, including those from non-technical backgrounds, on the science behind Xanamem and the Company's clinical trials program
- **'Following the Science' is fundamental to all Actinogen's activities** and was the foundation for the Company's second CTSF presentation titled *Alzheimer's disease: amyloid therapies are only part of the answer*. The presentation explained the science behind targeting amyloid in Alzheimer's disease and the opportunity for non-amyloid treatments such as Xanamem.

Presented at key international conferences and industry meetings:

- **CEO and CMO presented at numerous significant international conferences and conducted meetings at industry gatherings** to continue evaluating potential value-add regional and global business development opportunities**,** including:
    - The Spark Plus Australian Equities Day Webinar on 28 July 2022 where Dr Gourlay presented on ACW's excellent clinical safety demonstrated in more than 300 people; identical patterns of clinical activity on cognition in two independent, placebo-controlled clinical trials; and upcoming Phase 2 trials
    - The Spark Plus and the Bell Potter Healthcare conferences in November 2022 where Dr Gourlay provided investors with an overview of the Company and its positive Phase 2a AD biomarker trial results that showed a strong clinical effect from Xanamem and a major validation of the 'cortisol hypothesis' for AD
    - The CTAD[10] conference in San Francisco where Dr Gourlay presented an academic poster on the XanaMIA Phase 1b trial results,[11] which revealed positive effects on attention and working memory in cognitively normal, older volunteers at 5 and 10 mg daily doses of Xanamem as well as encouraging safety data
    - The Sachs Neuroscience Innovation Forum in San Francisco on 8 January 2023 where Dr Gourlay presented the company's latest clinical data. Dr Gourlay also participated in industry meetings at conferences that ran concurrently with the J.P. Morgan Healthcare Conference week
    - The Spark Plus Biotech Conference in Singapore on 24 March 2023 where Dr Gourlay's presentation focused on four main topics including data showing Xanamem activity in four independent trials, and why anti-amyloid therapies have limited utility and novel therapies are still required for the treatment of AD

[10] The Clinical Trials on Alzheimer's Disease conference
[11] XanaMIA Phase 1b (Part A) trial results announced 27 April 2022

Operating and Financial Review (continued)

2. OPERATIONS REVIEW (continued)

- ADPD[12] 2023 on 30 March in Gothenburg, Sweden where CMO Dr Hilt presented Actinogen's novel Phase 2a biomarker trial data. The presentation was one of the first to show that the blood p-Tau181 biomarker is a highly effective method for selection of patients with a progressive form of mild Alzheimer's disease
- The BIO International Convention in Boston, USA on 5 June 2023 where Dr Gourlay and Dr Hilt met with international investors and prospective biopharma partners
- The National Dementia Conference in Melbourne on 21 June 2023 where Dr Gourlay provided a keynote presentation on the small number of oral therapies in development for AD with credible cognitive data competing with the Xanamem program

For further information on all the above events, please refer to the ASX announcements section under the Investor Centre tab on the Actinogen website www.actinogen.com.au.

3. FINANCIAL REVIEW

(a) Financial Performance

The financial performance of the Company during the year ended 30 June 2023 is as follows:

	Full year ended 30/06/2023	Full year ended 30/06/2022
Revenue and other income ($)	5,254,589	3,681,154
Net loss after tax ($)	(10,752,270)	(9,497,370)
Loss per share (cents)	(0.60)	(0.55)
Dividend ($)	-	-

(b) Financial Position

The financial position of the Company as at 30 June 2023 is as follows:

	As at 30/06/2023 $	As at 30/06/2022 $
Cash and cash equivalents	8,460,074	16,370,283
Net assets / Total equity	13,407,215	21,739,877
Contributed equity	78,712,128	76,942,670
Accumulated losses	(68,691,553)	(57,939,283)

(c) Post balance date capital raising

- **On 2 August 2023 the Company announced a non-renounceable pro-rata rights issue offer to existing shareholders to raise a maximum of approximately $10 million (before costs)**
- **The offer to eligible shareholders (holding shares at the Record Date of 14 August 2023) is to:**
  - Acquire 1 new share for every 4.54 Shares held at an issue price of 2.5 cents per new share
  - Receive for no additional payment 1 new unlisted option (with an exercise price of 3.75 cents and an expiry date 36 months from the date of issue) for every 2 new shares issued
  - Apply for any number of additional shares (and corresponding new options) if shareholders subscribe for their full pro rata entitlement initially (known as a top up offer).
- **On 15 August 2023 the Company announced a substantial and binding commitment from Defender Asset Management Pty Ltd and McFarlane Cameron Pty Ltd for $4.56 million in aggregate of any shortfall that may arise from the rights issue offer**
- **Directors also reserve the right to place any shortfall in subscriptions for new shares (and corresponding new options) to qualifying investors for 3 months after the offer closes on 4 September 2023.**

[12] The International Conference on Alzheimer's and Parkinson's Diseases and related neurological disorders

4. MATERIAL RISKS

In addition to risks associated with any business there are specific, material risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance and prospects of Actinogen and the value of its shares. Some of these risks may be mitigated by Actinogen's internal controls and processes but some are outside the control of Actinogen, its directors and management. The material risks identified by management are described below:

Risk	Implication	Mitigation
Research and Development Activities	Actinogen's future success is dependent on the performance of Actinogen's lead molecule, Xanamem®, in clinical trials and whether it proves to be a safe and effective treatment. Xanamem is an experimental product in Phase 2 clinical development. Product commercialization resulting in potential product sales revenues are likely to be years away without any guarantee that it will be successful. It requires additional research and development, including ongoing clinical evaluation of safety and efficacy in clinical trials and regulatory approval prior to marketing authorization. Until Actinogen is able to provide further clinical evidence of the ability of Xanamem to improve outcomes in patients, the future success of its technology remains speculative. Research and development risks include uncertainty of the outcome of results, difficulties or delays in development and generally the uncertainty that surrounds the scientific development of pharmaceutical products.	Mitigation measures include 'following the science' of the data generated for Xanamem to date, hiring expert clinical development professionals to design, oversee and analyse the trial program, engagement of leading contract research organisations to manage components of the trials and drive recruitment as well as engagement of well-qualified clinical sites experienced in clinical trial execution and in the relevant therapeutic areas.
Regulatory Approvals	Actinogen operates within a highly regulated industry, relating to the manufacture, distribution and supply of pharmaceutical products. There is no guarantee that Actinogen will obtain the required approvals, licenses and registrations from relevant regulatory authorities in jurisdictions in which it operates. The commencement of clinical trials may be delayed and Actinogen may incur further costs if the Food and Drug Administration (FDA) and other regulatory agencies are tardy or observe deficiencies that require resolution or request additional studies be conducted in addition to those that are currently planned. A change in regulation may also adversely affect Actinogen's ability to commercialize and manufacture its treatments.	Mitigation measures include operating under a US FDA Investigational New Drug (IND) process, engagement of suitably qualified and experienced persons with expertise in the regulation of small molecule therapies, establishing relationships with regulators to facilitate feedback and guidance from them, regular review of evolving regulatory requirements and analysis of the Company's activities and plans against regulatory expectations in key jurisdictions, and ensuring that the expectations and uncertainties related to regulatory approvals, and the timing of such approvals, are included in business plans.
Intellectual Property	Securing rights in technology and patents is an integral part of securing potential product value in the outcomes of biotechnology research and development. Competition in retaining and sustaining protection of technology and the complex nature of technologies can lead to patent disputes. Actinogen's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent position of biotechnology companies can be highly uncertain and frequently involves complex legal and factual questions, neither the breadth of claims allowed in biotechnology patents nor their enforceability can be predicted. There can be no assurance that any patents which Actinogen may own, access or control will afford Actinogen commercially significant protection of its technology or its products or have commercial application or that access to these patents will mean that Actinogen will be free to commercialize its technology. Competitors may file patents which could limit the Company's freedom to operate for its technologies. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology or products to avoid Actinogen's patented technology. Actinogen's current patenting strategies do not cover all countries which may lead to generic competition arising in those markets.	Mitigation measures include use of expert patent attorneys, regular review of the relevant patent landscape, filing of additional patents and maintenance of patents in a broad geography covering major pharmaceutical markets.

Risk	Implication	Mitigation
Partnership Model	While undertaking its Phase 2 clinical program the Company is actively pursuing value-add partnership(s) to expand the trial program further and secure commercialization pathways in one or more territories. This model, which typically involves entering into commercial arrangements with other companies by which Actinogen would license its Xanamem technology to the partner in one or more indications and/or geographies and the partner assumes some or all responsibility for progressing, and paying for, the clinical trials and eventual commercialization. This strategy involves the risk that the Company will lose some or all control of the development timetable of its products to its commercial partner(s), which may give rise to an unanticipated delay in any commercial returns. Further, the Company may be unable to enter into arrangements with suitable commercial partners in respect of relevant indications. If either of these outcomes occurred, the Company's business and operations may be adversely affected.	Mitigation measures employed by the Company include: using expert business development professionals to build relationships with potential partners, performing rigorous due diligence; ensuring that the commercial terms negotiated are fair and utilising expert legal advice to ensure that appropriate warranties and commitments are included in contracts, and that the contracts reflect the agreed commercial position.
Manufacturing	The Company's products are manufactured using a specialised manufacturing process at an expert third party facility, as is the norm in our industry. An inability of these third party contract manufacturing organisations to continue to manufacture the Company's products in a timely, economical and/or consistent manner, including any scale up of manufacturing processes, or to maintain legally compliant manufacturing to maintain product supply, could adversely impact on the progress of the Company's development programs and potentially on the financial performance of the Company.	Mitigation measures include performing rigorous due diligence on contract manufacturers, engaging contract manufacturers with strong track records and sufficient capability to meet the Company's foreseeable needs, employing senior managers responsible for managing and monitoring the performance of contract manufacturers, and maintenance of quality systems and related documentation.
Fundraising risk	Actinogen is reliant upon fundraising to fund its operations. Funds may be available in the future from grants, development and commercial partnerships, tax incentives and capital markets but are not guaranteed. Capital market volatility has affected many companies since 2020 and may impact Actinogen's ability to raise future funds if it continues to be adverse.	Mitigation measures include filing of multiple grant applications, key management focus on partnership relationships, use of specialist advisors in tax, business development and investor relations, maintaining high quality analyst coverage, frequent communications to retail and institutional investors and having a presence at many scientific and business conferences.

5. BUSINESS STRATEGY & OUTLOOK

Actinogen's strategic priorities focus on three key elements:

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

Accelerate clinical development in cognitive impairment

The positive results from the Phase 2a clinical biomarker trial strongly supported the feasibility of using both cognitive testing and the CDR-SB endpoint for our Phase 2b trial. The benefits of Xanamem in the biomarker-positive patients allowed us to model the design of the next study to increase its chances of success.

Our key goals under this strategic priority are:

- Build on improved attention and working memory in two independent, placebo-controlled trials
- Complete Phase 2a trial now underway in patients with cognitive impairment and depressive disorder (XanaCIDD)
- Build on the large Xanamem effect seen in patients with mild AD and elevated pTau181 protein in the blood (an indication of progressive AD)
- Initiate Phase 2b trial in patients with the early stages of Alzheimer's disease and elevated pTau (XanaMIA Part B)
- Leverage 'hands on' clinical operations and management based in Australia to speed timelines and reduce cost.

Forward planning

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

Our key goals under this strategic priority are:

- Complete additional manufacturing for scale-up and supply of future clinical trials
- Use to-be-marketed tablet formulation in all future trials
- Integrate global regulatory strategic planning to optimize path to marketing approvals
- Plan and conduct required regulatory nonclinical studies to the Good Laboratory Practice standard
- Plan and conduct ancillary clinical pharmacology studies required for marketing approvals.

Create value from partnerships

Our active business development plan maintains and develops relationships with all potential drug development partners, both large and small, regional and global. We continue to see a high level of interest in our programs despite the challenging biopharma market conditions with markedly reduced merger and funding activity in the sector.

Strengthened by the addition of Dr Hilt to the team, we attended in person at an increased number of important international conferences during the year to facilitate relationship building, partner engagement and Actinogen's presence as a Phase 2 clinical-stage company.

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

Our key goals under this strategic priority are:

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

Our FY2024 strategic priorities are also summarized in the infographic on page 11 of this annual report

Outlook

The Company remains confident about its prospects in FY2024 and beyond. Actinogen is now implementing the XanaCIDD trial that will report results in H1CY 2024, using a primary endpoint measuring cognition that was validated by demonstrating Xanamem benefits in two prior volunteer trials. Xanamem effects on depression itself will also be measured.

The second major clinical milestone is the interim analysis of the XanaMIA Phase 2b trial in patients with AD, expected in early 2025. To have two major clinical readouts in the next 18-month period reflects the successful hard work and dedication of the Actinogen team.

Meanwhile manufacturing, regulatory, clinical pharmacology and nonclinical activities continue in high order to enable rapid expansion on successful Phase 2 results.

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

Board of Directors

BOARD OF DIRECTORS

Dr Geoffrey Brooke
MBBS, MBA
Non-Executive Chair (appointed 1 March 2017)

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

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

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

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

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

Dr Steven Gourlay
MBBS FRACP PhD MBA
Managing Director (appointed 24 March 2021)
Chief Executive Officer (appointed 15 March 2021)

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

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

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

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

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

Board of Directors (continued)

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

Dr Morstyn has more than 25 years' experience in the biotechnology industry including as Senior Vice President of Development and Chief Medical Officer at Amgen Inc. Dr Morstyn had overall responsibility globally for drug development in all therapeutic areas including neuroscience at Amgen Inc. and was a member of the Operating Committee. Many new products were approved and launched during Dr Morstyn's tenure.

Prior to joining Amgen Inc. Dr Morstyn was the principal investigator on the earliest clinical studies of the haemopoietic colony stimulating factors (CSF). The CSFs were subsequently approved and launched and were a major medical breakthrough that have been used to reduce side effects of chemotherapy and enable transplantation in more than 20 million patients worldwide. The CSFs have become multi-billion dollar drugs.

Since returning to Australia, Dr Morstyn has been a Non-Executive Director of various for-profit and not-for-profit companies, including many biotechnology companies. Dr Morstyn is a medical graduate of Monash University (Australia), and obtained a PhD at the Walter and Eliza Hall Institute of Medical Research (Australia) and a FRACP in Medical Oncology following a Fellowship at the National Cancer Institute in the USA. Dr Morstyn is currently an advisor to Symbio (Tokyo) and TroBio, and Chairman of PioTx. He is a Member of the Australian Institute of Company Directors and a Fellow of the Australian Academy of Technological Sciences and Engineering.

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

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

Mr McComas is a company director with experience in healthcare including drug development, clinical trials, the regulatory environment and medical devices. Mr McComas was previously an investment banker with career experience in financial services covering mergers and acquisitions, debt and equity funding across multiple industry sectors including healthcare, FMCG, resources, financial services and privatisations.

Mr McComas has held leadership roles with Grant Samuel as Director, County NatWest (now Citigroup) as Managing Director and Head of Corporate Finance and Morgan Grenfell (now Deutsche Bank) working in Australia and the UK. Previously, Mr McComas was a lawyer at Herbert Geer specialising in tax and company law. Mr McComas has for-purpose experience as a director of Australasian Leukaemia and Lymphoma Group (ALLG), the blood cancer clinical trials group and peak body experience as past President of the Financial Services Institute of Australia. Mr McComas is a Fellow of the Australian Institute of Company Directors and holds degrees in Law and Economics from Monash University (Australia).

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

- Chair of Pharmaxis Limited (ASX:PXS) – Current
- Chair of Fitzroy River Corporation Limited (ASX:FZR) – Current
- Non-Executive Director of Core Lithium Limited (ASX:CXO) – Current

Dr Nicki Vasquez (appointed 1 March 2023)
PhD
Non-Executive Director (appointed 1 March 2023)

Dr Vasquez joined Actinogen in March 2023. Dr Vasquez is an immunologist and biopharmaceutical executive with more than 25 years of biopharmaceutical discovery research and development experience. Dr Vasquez is currently Chief Portfolio Strategy & Alliance Officer at Sutro Biopharma, a clinical stage oncology company in San Francisco where she is responsible for program management, portfolio strategy, and alliance management.

Prior to joining Sutro, Dr Vasquez was Vice President of Program & Portfolio Management at StemCells, Inc., where she was responsible for establishing project management of research and clinical stage programs exploring stem cell therapy for Alzheimer's disease, spinal cord injury and dry Age-related Macular Degeneration. Earlier in her career Dr Vasquez worked at Elan Pharmaceuticals where she held positions of increasing responsibility in Alzheimer's disease and autoimmune discovery research, to Vice President Research Operations & Program Management, and Vice President Development Program & Portfolio Management.

Dr. Vasquez obtained her doctoral degree in immunology. Dr Vasquez is US-based and strengthens the Actinogen Board with skills and experience in partnering and alliance management, strategic licensing, as well as a strong depth of knowledge in clinical development. Dr Vasquez has held no other ASX-listed directorships during the past three years.

Executive Leadership Team

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

See biography on page 18.

Mr Jeff Carter
Chief Financial Officer

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

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

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

Ms Tamara Miller
Senior Vice President - Product Development

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

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

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

Dr Dana Hilt
Chief Medical Officer

Dr Hilt joined Actinogen in February 2023 and has more than 25 years of drug development experience, primarily of Central Nervous System (CNS) drugs. Dr Hilt has extensive experience in Phases 1 to 4 of development for conditions including Alzheimer's disease, depression, Parkinson's disease, amyotrophic lateral sclerosis (ALS), multiple sclerosis, schizophrenia, and other non-CNS conditions including CNS malignancies.
Dr Hilt gained his medical degree from Tufts University School of Medicine in Boston and trained in internal medicine at Harvard Medical School and Neurology at the Johns Hopkins Hospital. He has held academic neurology positions at the University of Maryland and University of Southern California where he conducted molecular biological research, taught clinical neurology and basic neurobiology, and cared for patients with neurodegenerative conditions such as Alzheimer's disease, Parkinson's disease, and ALS.

Dr Hilt was most recently the Chief Medical Officer at Frequency Therapeutics and has held senior development and management positions as Chief Medical Officer at several pharmaceutical companies, including Lysosomal Therapeutics, Guilford Pharmaceuticals, Ascend Pharmaceuticals, and Critical Therapeutics. Prior to that, Dr Hilt worked with Amgen, establishing a Clinical Neuroscience Group that focused on the potential therapeutic applications of neurotrophic factors in degenerative neurologic diseases such as Parkinson's disease.

As part of Actinogen's Leadership Team, US-based Dr Hilt brings world-leading expertise and experience to the role as an eminent neurologist and a clinical trial specialist in Alzheimer's disease, depression and other neurologic and neuropsychiatric diseases.

Executive Leadership Team (continued)

Michael Roberts
Investor Relations

Mr Roberts joined Actinogen in May 2021 and is a corporate communications specialist with more than 25 years' experience working with prominent ASX 50 Australian companies including Brambles, Lion Nathan and Foster's Group.

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

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

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

Dr Fujun Li
Head of Manufacturing

Dr Li joined Actinogen in February 2022 and has over 30 years of experience in development of chemistry, manufacturing, and controls (CMC) activities from early to late phase and management of contract manufacturing organization for drug substance and drug product manufacturing. Dr Li also has extensive experience in regulatory CMC and preparations of CMC dossiers for regulatory submissions.

Dr Li was most recently the Vice President of Analytical and Pharmaceutical Development at Principia Biopharma (a Sanofi Company). Prior to this, Dr Li had multiple CMC leadership roles in large and small pharmaceutical companies, including Executive Director at XenoPort and Research Leader at Roche.

Dr Li holds a Doctor of Philosophy in Environmental Medicine from New York University, Master of Science in Analytical Chemistry from Chinese Academy of Sciences, and Bachelor of Science in Chemistry from Beijing University.

As part of the Actinogen team, Dr Li is responsible for Drug Manufacturing.

Directors' Report

Your Directors present their report pertaining to Actinogen Medical Limited ('Actinogen Medical' or 'the Company') for the year ended 30 June 2023.

1. BOARD OF DIRECTORS

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

Name	Position	Appointed	Resigned
Dr Geoffrey Brooke	Non-Executive Chairman	1/03/2017	Current
Dr Steven Gourlay	Managing Director / Chief Executive Officer	24/03/2021	Current
Dr George Morstyn	Non-Executive Director	1/12/2017	Current
Mr Malcolm McComas	Non-Executive Director	4/04/2019	Current
Dr Nicki Vasquez	Non-Executive Director	1/03/2023	Current

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

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

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

Director	Fully paid ordinary shares	Loan shares (a)	Unlisted options
Dr Geoffrey Brooke	2,152,223	2,500,000	9,900,000
Dr Steven Gourlay	18,547,222	48,362,300	-
Dr George Morstyn	4,512,223	1,000,000	1,500,000
Mr Malcolm McComas	822,223	1,000,000	3,000,000
Dr Nicki Vasquez	-	-	-
Total	**26,033,891**	**52,862,300**	**14,400,000**

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

2. DIRECTORS' MEETINGS

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

Board of Directors	Number of meetings available to attend	Number of meetings attended
Dr Geoffrey Brooke	8	8
Dr Steven Gourlay	8	8
Dr George Morstyn	8	8
Mr Malcolm McComas	8	8
Dr Nicki Vasquez	3	3

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

Audit Committee	Number of meetings available to attend	Number of meetings attended
Mr Malcolm McComas	3	3
Dr Geoffrey Brooke	3	3
Dr George Morstyn	3	3

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

3. COMPANY SECRETARY

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

Mr Webse joined Actinogen in 2013 and has over 29 years of company secretarial experience. Mr Webse is a Director of Governance Corporate Pty Ltd, a company specialising in providing company secretarial, corporate governance, and corporate advisory services. Mr Webse attended Edith Cowan University of Western Australia to obtain his degree in Accounting and Finance. Mr Webse is a highly experienced CPA and is a Fellow of the CPA Australia (FCPA). He is also a Fellow of the Governance Institute of Australia (FGIA), and a Fellow of the Chartered Governance Institute (FCG).

4. CORPORATE GOVERNANCE

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

5. SHARES UNDER OPTION

As at the date of this Report, there were 26,700,000 unissued ordinary shares under option:

Quantity	Type of Option	Grant Date	Exercise Price	Expiry Date
6,400,000	Director Options	28/11/2018	$0.085	27/11/2023
5,700,000	Employee Options	12/12/2018	$0.085	12/12/2023
5,000,000	Employee Options	1/02/2019	$0.093	1/02/2024
3,000,000	Director Options	4/04/2019	$0.100	4/04/2024
5,000,000	Director Options	24/03/2017	$0.100	24/03/2025
1,600,000	Employee Options	28/09/2020	$0.046	27/09/2025
26,700,000	**Total unissued ordinary shares under option**			

For further information refer to the Remuneration Report and Note 14(c) Contributed Equity.

6. DIVIDENDS

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

7. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 2 August 2023 the Company announced a Rights Issue to all eligible shareholders to raise approximately $10 million (before costs) and issue of approximately 400 million new shares and approximately 200 million new unlisted options The closing date is 4 September 2023. The non renounceable offer is as follows:

1. One new share for every 4.54 shares held at an issue price of $0.025 (2.5 cents) per new share; and
2. One free unlisted option for every two new shares issued under the offer. The new unlisted options have an exercise price of $0.0375 (3.75 cents) each and have an expiry date of 36 months after the issue date.

Other than the above, no other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

9. OPERATING AND FINANCIAL REVIEW

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

10. BUSINESS STRATEGY & OUTLOOK

Please refer to pages 16 to 17 of this annual report for information on the Company's business strategy and outlook. Please also refer to pages 10 and 11 for a summary of the Company's vision and strategy.

Directors' Report (continued)

Remuneration Report (Audited)

11. REMUNERATION REPORT

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

11.1 INTRODUCTION

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

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

There were no other changes to KMP after the reporting date and before the date that the financial report was authorised for issue. All KMP's in the abovementioned table were KMPs for the full year, except for Dr Nicki Vasquez who was appointed as a Non-Executive Director on 1 March 2023, Dr Dana Hilt who was appointed as Chief Medical Officer on 1 February 2023, and Professor Rolan who ceased as Chief Medical Officer on 1 February 2023 and has continued on providing pharmacology consulting services to the Company.

Remuneration Report (Audited) (continued)

11.2 REMUNERATION GOVERNANCE

The Board has not established a separate Remuneration Committee at this point in the Company's development nor has the Board engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors. Therefore, remuneration of Directors is currently set by the Board of Directors, which is put to shareholders at the Annual General Meeting (AGM). At the AGM held on 16 November 2022, Actinogen Medical received 94.89% of votes in favour of its Remuneration Report for the 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

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

11.3 REMUNERATION ARRANGEMENTS

(A) Remuneration principles and structures

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

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

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

(B) Elements of remuneration

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

Fixed remuneration component

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

Short-term incentive (STI) component

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

Long-term incentive (LTI) component

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

Remuneration Report (Audited) (continued)

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

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

Remuneration Report (Audited) (continued)

11.3 REMUNERATION ARRANGEMENTS (CONTINUED)

(C) Details of short-term incentive and long-term incentive plans that existed during FY23

During the financial year ended 30 June 2023, the Board of Directors had in place various Short-term Incentives and Long-term Incentives which are outlined below.

(a) Short-term Incentives

The Board of Directors put in place various STIs that when achieved, a cash bonus is paid. Examples of such short-term performance conditions include clinical development, pre-clinical development, product development, project analysis, patient enrolments, studies, planning, regulatory, budgeting, data read-out, executed confidentiality agreements with potential partners, drug development and regulatory plan. During the 2022 and the 2023 calendar years, the Board agreed that the following KMPs received a bonus due to meeting a number of these short-term performance conditions:

- Dr Steven Gourlay was paid a $100,131 bonus in connection with performance conditions met and accrued for in the 2022 financial year. A bonus of $63,677, representing 46% of the maximum bonus potential set for Dr Gourlay, has been accrued for at 30 June 2023 in connection with performance conditions met during the 2023 financial year. This bonus will be paid during the quarter-end 30 September 2023. Of Dr Gourlay's performance conditions set during the year, 54% were not met and subsequently forfeited.
- Ms Tamara Miller was paid a $76,250 bonus in connection with performance conditions met and accrued for in the 2022 financial year. A bonus of $60,619, representing 80% of the maximum bonus potential set for Ms Miller, has been accrued for at 30 June 2023 in connection with performance conditions met during the 2023 financial year. This bonus will be paid during the quarter-end 30 September 2023. Of Ms Miller's performance conditions set during the year, 20% were not met and subsequently forfeited.

(b) Long-term Incentives

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

Reference	Type of LTI	Relating to KMP	Relating to Non-KMP	Total
(i)	Employee Options	5,600,000	6,700,000	12,300,000
(ii)	Director Options	14,400,000	-	14,400,000
	Total Options on issue	**20,000,000**	**6,700,000**	**26,700,000**
(iii)	Loan Shares	76,362,300	18,650,000	95,012,300
	Total Loan Shares on issue	**76,362,300**	**18,650,000**	**95,012,300**
	Total LTIs on issue	**96,362,300**	**25,350,000**	**121,712,300**

(i) Employee Options

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

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

Vesting Conditions:

- Ms Tamara Miller - 4,000,000 options vest quarterly over a period of 3 years from Grant Date, subject to continuous employment with the Company during the period from the date of grant up to and including the applicable vesting dates. As at 30 June 2022, these options were fully vested.
- Mr Jeff Carter - 1,600,000 options issued had one-third vest 12 months from grant date with the balance to vest quarterly over a period of 24 months thereafter. As at 30 June 2023, 1,466,664 have fully vested and 133,336 remain unvested. Vesting is subject to continuous service to the Company during the period from the date of grant up to and including the applicable vesting dates.
- The Employee options were independently valued using a Black-Scholes option pricing model, whereby the total share-based payment is expensed over the vesting period. Refer to Note 22: Share-based Payments for further information.

Remuneration Report (Audited) (continued)

Summary Terms & Conditions:

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

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

(ii) Director Options

There were no Director Options issued to current Directors during the financial year ended 30 June 2023. In prior years, Directors Options were issued to current Directors of the Company. The specific details, vesting conditions and a summary of terms and conditions are outlined below:

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

Vesting Conditions:

As at 30 June 2023, all Director Options outlined above are fully vested. These options were issued to vest over a period of three years from the date of grant and were subject to continuous service to the Company by each Non-Executive Director during the period from the date of grant up to and including the applicable vesting dates. During the year, Dr Morstyn exercised 1,500,000 options exercisable at $0.10 each on or before 1 December 2022. While there were no performance conditions attached to these Director Options, the awards are reward for fulfilling the role of Non-Executive Director of the Company and to provide adequate incentive for continued service to the Company.

Summary Terms & Conditions:

- Each Option gives the holder (Option holder) the right to subscribe for one fully paid ordinary share in the Company (Share) upon exercise of the Option.
- Issue Price of Options: Options are issued for no consideration.
- Valuation Methodology: Due to the vesting conditions attached to all Director Options issued, they have been independently valued using a Black-Scholes option pricing model, whereby the total share-based payment is expensed over the vesting period. Refer to Note 22: Share-based Payments for further information.
- Other terms: The rights, restrictions and obligations which apply to Options, including in relation to vesting, disposal and forfeiture, are pursuant to the terms of each Director's engagement with the Company, and the option offer letters accepted and signed by the Director at the time of the offer.

(iii) Loan Shares

As at 30 June 2023, the following KMP held the following Loan Shares issued to them under an employee incentive scheme called the Employee Share Plan ('Plan'). The specific details, vesting conditions and a summary of terms and conditions are outlined below:

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

Remuneration Report (Audited) (continued)

11.3 REMUNERATION ARRANGEMENTS (CONTINUED)

(iii) Loan Shares (continued)

Loan Shares					
Other KMP	Tamara Miller	Tamara Miller	Jeff Carter	Paul Rolan	Dana Hilt
Grant Date	16/09/2021	24/05/2022	16/09/2021	24/05/2022	20/03/2023
Quantity	5,000,000	5,000,000	500,000	3,000,000	10,000,000
Exercise Price	$0.110	$0.088	$0.110	$0.088	$0.085
Expiry Date	16/09/2026	24/05/2027	16/09/2026	24/05/2027	19/03/2028

Vesting conditions:

Loan Shares were issued with vesting conditions attached whereby there must be continuity of employment to receive the vesting benefits. While there are no performance conditions attached to these loan shares, the awards are reward for fulfilling their assigned role within the Company and to provide adequate incentive for continued service to the Company. They have been valued using a Black-Scholes option pricing model, whereby the total share-based payment is being expensed over the vesting period. Refer to Note 22: Share-based Payments for further information.

Non-Executive Directors and Dr Dana Hilt:

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

Dr Steven Gourlay:

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

Ms Tamara Miller, Mr Jeff Carter and Professor Paul Rolan:

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

Summary Terms & Conditions:

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

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

During the financial years ended 30 June 2023 and 30 June 2022 (as set out in Table 1 and Table 2, respectively), KMP's received either or all of the following benefits: short-term benefits: cash salary, cash fees and cash bonuses, post-employment benefits, other long-term benefits, and share-based payments. All remuneration has been valued at the cost to the Company and expensed.

Remuneration Report (Audited) (continued)

Table 1: Remuneration of KMP for the year ended 30 June 2023

Key Management Personnel	Short-term benefits		Termination benefits	Post-employment	Long-term benefits	Share-based payments		Percentage of Total	
Year ended 30 June 2023	Cash, salary and fees $	Cash Bonus $ (d)	Termination payments $	Super-annuation $	Accrued leave benefits $	Loan shares & Options $	Total $	SBP-related	Performance-related
Geoffrey Brooke (a)	100,877	-	-	10,592	-	130,140	241,609	54%	54%
Steven Gourlay	395,508	63,677	-	25,292	29,963	142,448	656,888	22%	31%
George Morstyn (a)	66,276	-	-	-	-	52,056	118,332	44%	44%
Malcolm McComas (a)	66,276	-	-	-	-	52,056	118,332	44%	44%
Nicki Vasquez (a)(b)	22,092	-	-	-	-	-	22,092	-	-
Tamara Miller	305,000	60,619	-	25,292	23,106	281,377	695,394	40%	49%
Jeff Carter	130,320	-	-	-	-	13,627	143,947	9%	9%
Paul Rolan (c)	55,500	-	-	-	-	97,032	152,532	64%	64%
Dana Hilt (c)	153,970	-	-	10,367	10,583	92,888	267,808	35%	35%
Total KMP (e)	**1,295,819**	**124,296**	**-**	**71,543**	**63,652**	**861,624**	**2,416,934**		

(a) The total Non-Executive Director fees including superannuation during the year totalled $266,113.

(b) Dr Nicki Vasquez was appointed as Non-Executive Director on 1 March 2023.

(c) Dr Dana Hilt was appointed, and Professor Rolan ceased, as Chief Medical Officer on 1 February 2023, respectively. Professor Rolan continues providing pharmacology consulting services to the Company.

(d) For further information on short-term incentive cash bonuses, refer to Section 11.3(C)(a).

(e) For detailed information of KMP employment arrangements, refer to Section 11.5 and Section 11.6 of the Remuneration Report.

Table 2: Remuneration of KMP for the year ended 30 June 2022

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

(a) The total Non-Executive Director fees including superannuation during the year totalled $231,479.

(b) Professor Rolan was appointed as Chief Medical Officer on 15 February 2022.

(c) For further information on short-term incentive cash bonuses, refer to Section 11.3(C)(a).

(d) For detailed information of KMP employment arrangements, refer to Section 11.5 and Section 11.6 of the Remuneration Report.

For detailed information of KMP employment arrangements, refer to Section 11.5 and Section 11.6 of the Remuneration Report.

Remuneration Report (Audited) (continued)

11.5 EXECUTIVE EMPLOYMENT AGREEMENTS

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

Dr Steven Gourlay – Managing Director and Chief Executive Officer

- Commencement of employment: 15 March 2021
- Remuneration package: A total employment cost basis (inclusive of superannuation guarantee) of $420,800 with four weeks annual leave entitlement. With effect from 1 July 2023, the total employment cost basis was increased to $439,736 (inclusive of superannuation guarantee).
- A specific short-term incentive component is also provided for within the Managing Director's remuneration package. Currently this an annual bonus subject to satisfying performance objectives to be determined by the Board in its discretion annually. The target incentive bonus will be up to a maximum of 35% of Base Salary, prorated to the date of commencement of Employment for the first year and the Board's determination of whether the performance objectives have been achieved will be final and binding on the Employee. The Board may (but without assuming any obligation in future periods) for an exceptional performance in any year as determined by the Board in its discretion, award a bonus in excess of 35% of Base Salary.
- Term: Appointment will continue on an ongoing basis unless terminated earlier in accordance with termination provisions.
- Termination: The Company or the individual may terminate the contract by giving three months' written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

Ms Tamara Miller – Senior Vice President – Product Development

- Commencement of employment: 21 September 2017
- Remuneration package: During the year ended 30 June 2023, Ms Miller was on a total employment cost basis (inclusive of superannuation guarantee) of $330,292 with four weeks annual leave entitlement. With effect from 1 July 2023, Ms Miller's total employment cost basis was increased to $346,124.
- 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.
- Term: Appointment will continue on an ongoing basis unless terminated earlier in accordance with termination provisions.
- Termination: The Company or the individual may terminate the contract by giving four weeks' written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

Mr Jeff Carter – Chief Financial Officer

- Commencement of consultancy: 21 September 2020
- During the year ended 30 June 2023, the standard base monthly amount for part time services was increased from $9,400 to $12,320 per month (plus GST and are exclusive of superannuation) with effect from 1 January 2023.
- Termination: The Company or Consultant may terminate the contract by giving one month's written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

Professor Paul Rolan – Chief Medical Officer

- Commencement of consultancy: 15 February 2022. Ceased fulfilling this role on 1 February 2023
- Remuneration package set at a daily rate of $1,500 (plus GST and exclusive of superannuation). These rates apply for 12 months and should the work continue, then these rates will be subject to Board review. The consultancy services will be requested on an "as needs" basis, however, it is expected that consultancy services will be required for a maximum of twelve days per month. Permission to exceed this level of service should be sought in advance.
- Termination: The Company or Consultant may terminate the contract by giving seven day's written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

Dr Dana Hilt – Chief Medical Officer

- Commencement of employment: 1 February 2023
- Remuneration package: During the year ended 30 June 2023, Dr Hilt was on a total employment cost basis of USD $220,000 per annum for working a 0.80 full-time equivalent role (plus statutory employment and healthcare contributions and prorated 16 days annual leave entitlement).
- Termination: The Company or Consultant may terminate the contract by giving thirty day's written notice. In the event of breach or criminal activity, termination is effective immediately without payment other than the fee accrued to the date of termination.

Remuneration Report (Audited) (continued)

11.6 NON-EXECUTIVE DIRECTOR FEE ARRANGEMENTS

Non-Executive Directors

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

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors, at an Annual General Meeting held on 12 November 2015, is $500,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders. Total fees, including superannuation, paid to Non-Executive Directors during the year were $266,113.

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

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

- Director Fees set at $111,469 per annum (inclusive of superannuation guarantee plus GST) during the year. Subject to annual review, it was determined that these fees increase to $117,012 per annum (inclusive of superannuation guarantee plus GST) with effect from 1 July 2023.

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

- Director Fees set at $66,276 per annum (plus GST and exclusive of superannuation) since 1 January 2020. Subject to annual review, it was determined that these fees increase to $69,258 per annum (plus GST and exclusive of superannuation) with effect from 1 July 2023.

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

- Director Fees set at $66,276 per annum (plus GST and exclusive of superannuation) since 1 January 2020. Subject to annual review, it was determined that these fees increase to $69,258 per annum (plus GST and exclusive of superannuation) with effect from 1 July 2023.

Dr Nicki Vasquez – Non-Executive Director- Appointed 1 March 2023

- Director Fees set at $66,276 per annum. Dr Vasquez's fees were prorated from commencement of appointment receiving $22,092 during the year. In line with the annual review of Non-Executive Director Fees, it was determined that Dr Vasquez's fees increase to $69,258 per annum with effect from 1 July 2023. Dr Vasquez is US-based therefore GST and superannuation are not applicable.

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

Remuneration Report (Audited) (continued)

11.7 DISCLOSURES RELATING TO OPTIONS

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

(i) Option holdings of KMP as at 30 June 2023:

KMP	Grant Date	Expiry Date	Balance at beginning of year 1 July 2022	Granted as remuneration	Net change other	Balance at end of year 30 June 2023	Vested during the year	Vested as at 30 June 2023	Not vested as at 30 June 2023
Geoffrey Brooke									
Options (10c)	24/03/2017	24/03/2025	5,000,000	-	-	5,000,000	-	5,000,000	-
Options (8.5c)	28/11/2018	27/11/2023	4,900,000	-	-	4,900,000	-	4,900,000	-
Loan Shares (20c)	18/11/2021	18/11/2026	2,500,000	-	-	2,500,000	1,250,000	1,250,000	1,250,000
			12,400,000	**-**	**-**	**12,400,000**	**1,250,000**	**11,150,000**	**1,250,000**
Steven Gourlay									
Loan Shares (3.5c)	15/03/2021	15/03/2026	24,181,150	-	-	24,181,150	9,823,593	18,135,864	6,045,286
Loan Shares (4.5c)	15/03/2021	15/03/2026	24,181,150	-	-	24,181,150	9,823,593	18,135,864	6,045,286
			48,362,300	**-**	**-**	**48,362,300**	**19,647,186**	**36,271,728**	**12,090,572**
George Morstyn									
Options (10c)	18/01/2018	1/12/2022	1,500,000	-	(1,500,000)	-	-	-	-
Options (8.5c)	28/11/2018	27/11/2023	1,500,000	-	-	1,500,000	-	1,500,000	-
Loan Shares (20c)	18/11/2021	18/11/2026	1,000,000		-	1,000,000	500,000	500,000	500,000
			4,000,000	**-**	**(1,500,000)**	**2,500,000**	**500,000**	**2,000,000**	**500,000**
Malcolm McComas									
Options (10c)	4/04/2019	4/04/2024	3,000,000	-	-	3,000,000	-	3,000,000	-
Loan Shares (20c)	18/11/2021	18/11/2026	1,000,000	-	-	1,000,000	500,000	500,000	500,000
			4,000,000	**-**	**-**	**4,000,000**	**500,000**	**3,500,000**	**500,000**
Tamara Miller									
Options (8.5c)	12/12/2018	12/12/2023	4,000,000	-	-	4,000,000	-	4,000,000	-
Loan shares (11c)	16/09/2021	16/09/2026	5,000,000	-	-	5,000,000	2,656,250	2,656,250	2,343,750
Loan shares (8.8c)	24/05/2022	24/05/2027	5,000,000	-	-	5,000,000	1,406,250	1,406,250	3,593,750
			14,000,000	**-**	**-**	**14,000,000**	**4,062,500**	**8,062,500**	**5,937,500**
Jeff Carter									
Options (4.6c)	28/09/2020	27/09/2025	1,600,000	-	-	1,600,000	533,332	1,466,664	133,336
Loan shares (11c)	16/09/2021	16/09/2026	500,000	-	-	500,000	265,625	265,625	234,375
			2,100,000	**-**	**-**	**2,100,000**	**798,957**	**1,732,289**	**367,711**
Paul Rolan									
Loan shares (8.8c)	24/05/2022	24/05/2027	3,000,000	-	-	3,000,000	843,750	843,750	2,156,250
			3,000,000	**-**	**-**	**3,000,000**	**843,750**	**843,750**	**2,156,250**
Dana Hilt									
Loan shares (8.5c)	24/05/2022	24/05/2027	-	10,000,000	-	10,000,000	-	-	10,000,000
			-	**10,000,000**	**-**	**10,000,000**	-	-	**10,000,000**
Total KMP Holding			**87,862,300**	**10,000,000**	**(1,500,000)**	**96,362,300**	**27,602,393**	**63,560,267**	**32,802,033**

Directors' Report (continued)

Remuneration Report (Audited) (continued)

11.7 DISCLOSURES RELATING TO OPTIONS (CONTINUED)

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

KMP	Financial Year	Quantity	Fair value per option / loan share	Total Share-based payment (SBP) valuation	Value vested during the year	Total SBP expensed as at 1 July 2022	Value recognised during the year	Total SBP expensed as at 30 June 2023	Value to be recognised in future years	Remuneration consisting of option for the year
Geoffrey Brooke										
Options (10c)	2017	5,000,000	$0.049	$245,286	-	$245,286	-	$245,286	-	0%
Options (8.5c)	2019	4,900,000	$0.014	$69,580	-	$69,580	-	$69,580	-	0%
Loan Shares (20c)	2022	2,500,000	$0.119	$297,026	$148,513	$122,740	$130,140	$252,880	$44,146	54%
		12,400,000		**$611,892**	**$148,513**	**$437,606**	**$130,140**	**$567,746**	**$44,146**	**54%**
Steven Gourlay (a)										
Loan Shares (3.5c)	2021	24,181,150	$0.016	$383,027	$155,605	$296,918	$74,335	$371,253	$11,774	20%
Loan Shares (4.5c)	2021	24,181,150	$0.015	$350,963	$142,579	$272,062	$68,113	$340,175	$10,788	18%
		48,362,300		**$733,990**	**$298,184**	**$568,980**	**$142,448**	**$711,428**	**$22,562**	**38%**
George Morstyn										
Options (8.5c)	2019	1,500,000	$0.014	$21,300	-	$21,300	-	$21,300	-	0%
Loan Shares (20c)	2022	1,000,000	$0.119	$118,810	$59,405	$49,096	$52,056	$101,152	$17,658	44%
		2,500,000		**$140,110**	**$59,405**	**$70,396**	**$52,056**	**$122,452**	**$17,658**	**44%**
Malcolm McComas										
Options (10c)	2019	3,000,000	$0.014	$42,396	-	$42,396	-	$42,396	-	0%
Loan Shares (20c)	2022	1,000,000	$0.119	$118,810	$59,405	$49,096	$52,056	$101,152	$17,658	44%
		4,000,000		**$161,206**	**$59,405**	**$91,492**	**$52,056**	**$143,548**	**$17,658**	**44%**
Tamara Miller										
Options (8.5c)	2019	4,000,000	$0.016	$63,200	-	$63,200	-	$63,200	-	0%
Loan shares (11c)	2022	5,000,000	$0.064	$321,174	$170,624	$164,972	$119,658	$284,630	$36,544	21%
Loan shares (8.8c)	2022	5,000,000	$0.052	$258,483	$72,698	$17,092	$161,719	$178,811	$79,672	28%
		14,000,000		**$642,857**	**$243,322**	**$245,264**	**$281,377**	**$526,641**	**$116,216**	**49%**
Jeff Carter										
Options (4.6c)	2021	1,600,000	$0.009	$14,948	$1,661	$13,185	$1,661	$14,846	$102	1%
Loan shares (11c)	2022	500,000	$0.064	$32,117	$17,062	$16,497	$11,966	$28,463	$3,654	8%
		2,100,000		**$47,065**	**$18,723**	**$29,682**	**$13,627**	**$43,309**	**$3,756**	**9%**
Paul Rolan										
Loan shares (8.8c)	2022	3,000,000	$0.052	$155,090	$43,619	$10,255	$97,032	$107,287	$47,803	64%
		3,000,000		**$155,090**	**$43,619**	**$10,255**	**$97,032**	**$107,287**	**$47,803**	**64%**
Dana Hilt										
Loan shares (8.5c)	2023	10,000,000	$0.085	$494,036	-	-	$92,888	$92,888	$401,148	35%
		10,000,000		**$494,036**	**-**	**-**	**$92,888**	**$92,888**	**$401,148**	**35%**
Total KMP Holding		**96,362,300**		**$2,986,246**	**$871,171**	**$1,453,675**	**$861,624**	**$2,315,299**	**$670,947**	

Remuneration Report (Audited) (continued)

11.8 DISCLOSURES RELATING TO SHARES

The shareholding of KMP as at 30 June 2023 is as follows:

KMP	Balance at beginning of year 1 July 2022	Granted as remuneration	On exercise of options	Accounted for as options (c)	Net change other	Balance at end of year 30 June 2023
Geoffrey Brooke	2,152,223	-	-	-	-	2,152,223
Steven Gourlay (a)	17,797,222	-	-	-	750,000	18,547,222
George Morstyn (b)	3,012,223	-	-	-	1,500,000	4,512,223
Malcolm McComas	822,223	-	-	-	-	822,223
Nicki Vasquez	-	-	-	-	-	-
Tamara Miller	-	-	-	-	-	-
Jeff Carter	298,149	-	-	-	-	298,149
Paul Rolan	-	-	-	-	-	-
Dana Hilt	-	-	-	-	-	-
Total share holding	**24,082,040**	**-**	**-**	**-**	**2,250,000**	**26,332,040**

(a) Dr Gourlay purchased 750,000 fully paid ordinary shares on market during year.

(b) Dr Morstyn exercised 1,500,000 options at $0.10 cents each during the year.

(c) Loan Shares on issue, although issued ordinary shares that carry voting and divided rights, they also carry a restriction on being able to trade and have therefore, been accounted for as “in-substance options”. Refer to Section 11.3(C)(b)(iii) within the Remuneration Report for information on these Loan Shares, and Section 11.7 for how these shares have been accounted for as options in respect of value and quantity.

11.9 LOANS TO KMP AND THEIR RELATED PARTIES

During the year, a limited recourse interest free loans were provided to KMP’s in the form Loan Shares. Due to the nature of these loans, they were not accounted for as loans, rather they were accounted for as “in-substance options”. For further information on these Loan Shares, refer to Section 11.3(C)(b)(iii) within the Remuneration Report. As at 30 June 2023, there are no other loans held with any other KMP or any of their related entities.

11.10 OTHER TRANSACTIONS AND BALANCES WITH KMP AND THEIR RELATED PARTIES

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

11.11 CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER’S WEALTH

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

	2023	2022	2021	2020	2019
Quoted price of ordinary shares at year end (cents)	5.00	5.00	12.0	2.2	1.0
Loss per share (cents)	0.60	0.55	0.28	0.48	0.90
Dividends paid	-	-	-	-	-

End of Remuneration Report (Audited)

Directors' Report (continued)

12. INDEMNIFICATION OF AUDITORS

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

13. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Actinogen Medical paid a total of $86,449 including stamp duty to insure the Directors and Officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings.

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

14. PROCEEDINGS ON BEHALF OF THE COMPANY

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

15. ENVIRONMENTAL REGULATIONS

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

16. AUDIT & NON-AUDIT SERVICES

Total amounts paid or payable to the external auditors and their associated entities for an audit or review of the financial statements of the Company during the financial year ended 30 June 2023 totalled $75,700 (2022: $69,500).

Total non-audit services paid to the external auditors and their associated entities during the year ended 30 June 2023 was $Nil (2022: $Nil).

17. AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2023 forms a part of the Directors' Report and can be found on page 37. Signed in accordance with a resolution of the Board of Directors.

Dr Steven Gourlay
Managing Director
Sydney, New South Wales
30 August 2023

Auditor's Independence Declaration

Ernst & Young
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Building a better working world

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

As lead auditor for the audit of the financial report of Actinogen Medical Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Pierre Dreyer
Partner
30 August 2023

Financial Report

Statement of Comprehensive Income

For the year ended 30 June 2023

	Note	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Interest revenue		366,654	41,072
Other income		4,887,935	3,640,082
Total revenue & other income	6	**5,254,589**	3,681,154
Research & development costs	6	(8,899,947)	(8,214,847)
Employment costs		(3,257,223)	(1,910,085)
Corporate & administration costs		(1,793,660)	(1,359,883)
Finance costs		(16,599)	(18,479)
Realised (loss) / unrealised gain on foreign currency		(117,172)	13,394
Share-based payment expenses		(1,516,650)	(1,287,955)
Amortisation expense	12	(312,746)	(312,746)
Depreciation expense (right-of-use asset)	11	(81,008)	(81,008)
Depreciation expense (office equipment)	10	(11,854)	(6,915)
Total expenses		**(16,006,859)**	(13,178,524)
Loss before income tax		**(10,752,270)**	(9,497,370)
Income tax expense		-	-
Loss for the year		**(10,752,270)**	(9,497,370)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Other comprehensive income		-	-
Total comprehensive loss for the year		**(10,752,270)**	(9,497,370)
Loss per share for attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share in cents	17	**(0.60)**	(0.55)

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

Statement of Financial Position

As at 30 June 2023

	Note	As at 30/06/2023 $	As at 30/06/2022 $
Current Assets			
Cash and cash equivalents	8	8,460,074	16,370,283
Other receivables and prepayments	9	4,228,311	4,046,639
Total Current Assets		**12,688,385**	20,416,922
Non-Current Assets			
Property, plant and equipment	10	37,276	12,531
Intangible assets	12	2,407,712	2,720,458
Right-of-use assets	11	75,432	156,440
Total Non-Current Assets		**2,520,420**	2,889,429
TOTAL ASSETS		**15,208,805**	23,306,351
Current Liabilities			
Trade and other payables	13	1,559,470	1,308,381
Provision for employee entitlements		155,187	92,823
Lease liability	11(b)	86,933	78,337
Total Current Liabilities		**1,801,590**	1,479,541
Non-Current Liabilities			
Lease liability	11(b)	-	86,933
Total Non-Current Liabilities		-	86,933
TOTAL LIABILITIES		**1,801,590**	1,566,474
NET ASSETS		**13,407,215**	21,739,877
Equity			
Contributed equity	14(a)	78,712,128	76,942,670
Reserve shares	14(b)	(7,197,992)	(6,331,492)
Reserves	15	10,584,632	9,067,982
Accumulated losses		(68,691,553)	(57,939,283)
TOTAL EQUITY		**13,407,215**	21,739,877

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

Statement in Changes of Equity

For the year ended as at 30 June 2023

Full year ended 30 June 2023	Contributed Equity $	Accumulated Losses $	Option Reserve $	Reserve Shares $	Total $
Balance as at 1 July 2022	76,942,670	(57,939,283)	9,067,982	(6,331,492)	21,739,877
Loss for the year	-	(10,752,270)	-	-	(10,752,270)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(10,752,270)	-	-	(10,752,270)
Transactions with equity holders in their capacity as equity holders:					
Shares issued during the year	1,769,458	-	-	(866,500)	902,958
Share-based payments	-	-	1,516,650	-	1,516,650
Balance as at 30 June 2023	**78,712,128**	**(68,691,553)**	**10,584,632**	**(7,197,992)**	**13,407,215**

Full year ended 30 June 2022	Contributed Equity $	Accumulated Losses $	Option Reserve $	Reserve Shares $	Total $
Balance as at 1 July 2021	60,054,459	(48,441,913)	7,780,027	(1,934,492)	17,458,081
Loss for the year	-	(9,497,370)	-	-	(9,497,370)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(9,497,370)	-	-	(9,497,370)
Transactions with equity holders in their capacity as equity holders:					
Shares issued during the year	17,719,500	-	-	(4,397,000)	13,322,500
Capital raising costs	(831,289)	-	-	-	(831,289)
Share-based payments	-	-	1,287,955	-	1,287,955
Balance as at 30 June 2022	76,942,670	(57,939,283)	9,067,982	(6,331,492)	21,739,877

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

Statement of Cash Flows

For the year ended 30 June 2023

	Note	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Cash Flows from Operating Activities			
Interest received		366,654	41,072
Interest paid	11(a)	(17,012)	(10,682)
Payments to suppliers and employees		(4,537,191)	(2,978,470)
Payments for research and development		(9,154,875)	(8,003,765)
Government R&D tax rebate and grants received		4,644,183	1,434,713
Net cash outflow from operating activities	8	**(8,698,241)**	(9,517,132)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	10	(36,599)	(2,937)
Net cash outflow from investing activities		**(36,599)**	(2,937)
Cash Flows from Financing Activities			
Proceeds from issue of shares	14	902,958	13,322,499
Transaction costs associated with issue of shares	14	-	(831,289)
Principal repayment on leases	11(a)	(78,337)	(71,171)
Net cash inflow from financing activities		**824,621**	12,420,039
Net (decrease) / increase in cash and cash equivalents		(7,910,219)	2,899,970
Cash and cash equivalents at beginning of the year		16,370,283	13,421,653
Reclassify bank guarantee as cash and cash equivalents		-	35,266
Effect of movement in exchange rates on cash held		10	13,394
Cash and cash equivalents at the end of the year	8	**8,460,074**	16,370,283

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

Notes to the Financial Statements

For the year ended 30 June 2023

1. CORPORATE INFORMATION

The financial statements of Actinogen Medical Limited (Actinogen Medical or the Company) for the year ended 30 June 2023 were authorised in accordance with a resolution of Directors on 30 August 2023. Actinogen Medical is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The nature of operations and principal activities of the Company are described in the Directors' Report. The registered office of the Company is located at Suite 901, Level 9, 109 Pitt Street, Sydney, NSW, Australia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated below. The financial statements of the Company are for the financial year ended 30 June 2023.

(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.

During the year ended 30 June 2023, the Company incurred a net loss after tax of $10,752,270 (2022: $9,497,370) and had net cash outflows from operating activities of $8,698,241 (2022: $9,517,132). As reported, with $8,460,074 cash at bank at 30 June 2023, the Company is well funded in the short-term in order to fund ongoing research and development activities, as well as its corporate and administrative requirements. Further funding will be required in order to undertake ongoing research and development initiatives.

In the Directors' opinion, there are reasonable grounds to believe that the Company has the ability to raise further funding as and when required based on its past ability to raise equity funding. In forming this view the Directors have taken into consideration the following:

- The Company has $8,460,074 in cash and cash equivalents as at 30 June 2023. This amount does not include the proposed claim for the research and development tax incentive which is estimated to lead to a cash refund of $3,883,834 (refer Note 9);
- The Company is listed on the ASX and therefore has access to the Australian equity capital markets. The Company announced a Rights Issue on 2 August 2023 to all eligible shareholders to raise approximately $10 million (before costs) – refer to Note 19 for additional details. Additionally, the Company announced on 15 August 2023 that it had binding commitments of $4.56 million for any future shortfall in the event that the Rights Issue does not raise the full $10 million; and
- The Company has the ability to modify its planned but not committed expenditure on Clinical Trial activities if required in order to continue as a going concern.

As a result of the need to finalise the Rights Issue referred to above or reduce discretionary expenditure if funds are not forthcoming, there is uncertainty whether the Company will be able to progress with its current research and development initiatives and continue as a going concern and therefore in this circumstance whether it will be able to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial statements.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company not continue as a going concern.

(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.

(e) Critical accounting estimates and judgements

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

(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 rates at 25% to 67%.

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

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

(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 recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

(i) Research and development costs

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset

- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. The Company assessed whether the above criteria had been met for the financial year ended 30 June 2023. The Company did not meet this criterion and as a consequence all research and development costs were expensed to profit and loss for the current year.

(ii) Intellectual property

The Company's intangible assets relate to intellectual property for upfront payments to purchase patents and licenses. The patents and licenses have been granted for a period of 20 years by the relevant government agency with the option of renewal at the end of this period. As a result, those patents and licenses are amortised on a straight-line basis over the period of the patents and license. The remaining life of the patents and licenses is 8 years. Refer to Note 12: Intangible Assets.

(i) Government grants

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

(j) Income tax

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

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction and affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised, or liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(k) Employee benefits

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

(l) Share-based payments

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

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

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

(m) 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.

(n) Interest income:

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

(o) 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.

(p) 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.

(q) Trade and other payables

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

(r) 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.

(s) Earnings per share

Basic earnings per share

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

Diluted loss per share

Diluted loss per share is calculated by dividing the loss after income tax expense by the weighted average number of ordinary shares outstanding during the year. Given the loss position of the Company, share options have not been taken into account in the diluted loss per share calculation since they are anti-dilutive.

(t) Financial assets

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effect interest method, less allowance for impairment. The Company recognises an allowance for expected credit losses (ECLs) for financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. Trade receivables are generally due for settlement within 30 days. While the Company has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this Report, the Board has placed no requirement for collateral on existing debtors.

(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) Leases

Right-of-use asset:

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

Lease liabilities:

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

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

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

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

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Company. These new standards and interpretations, and the status of the Company's assessment of impact on the Company, are set out below.

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2020-1	Amendments to AASs – Classification of Liabilities as Current or Non-current	A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. The AASB recently issued amendments to AASB 101 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current.	1 January 2023	1 July 2023
AASB 2021-2	Amendments to AASB 108 – Definition of	The amendments to AASB 108 clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The distinction is necessary as their treatment and disclosure requirements are different. Critically, a change in an accounting estimate is applied prospectively whereas a change in an accounting policy is generally applied	1 January 2023	1 July 2023

	Accounting Estimates	retrospectively. The new definition provides that 'Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.' The amendments explain that a change in an input or a measurement technique used to develop an accounting estimate is considered a change in an accounting estimate unless it is correcting a prior period error.		
AASB 2021-28	Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements– Disclosure of Accounting Policies	The amendments to AASB 101 require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material10', 'significant' was not defined in Australian Accounting Standards. Leveraging the existing definition of material with additional guidance is expected to help preparers make more effective accounting policy disclosures. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material. Entity-specific accounting policy information is emphasised as being more useful than generic information or summaries of the requirements of Australian Accounting Standards. The amendments to AASB Practice Statement 2 supplement the amendments to AASB 101 by illustrating how the four-step materiality process can identify material accounting policy information.	1 January 2023	1 July 2023
AASB 2023-2	Amendments to AASs – International Tax Reform Pillar Two Model Rules	In response to the Pillar Two Global anti-Base Erosion rules (GloBE Rules)3 , amendments to AASB 112 introduce: A mandatory temporary exception in AASB 112 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes Disclosure requirements for affected entities for the periods before and when the legislation is effective The amendments are intended to provide temporary relief, avoid diverse interpretations of AASB 12 developing in practice and improve the information provided to users of financial statements before and after Pillar Two legislation comes into effect. The amendments do not clarify whether a Pillar Two top-up tax is considered to be an income tax in the scope of AASB 12, nor do they require all top-up taxes to be treated as income taxes. Judgement must be applied in determining which top-up taxes are considered to be income taxes. Earlier application of the amendments is permitted.	1 January 2023	1 July 2023
AASB 2022-5	Amendments to AASs – Lease Liability in a Sale and Leaseback	In a sale and leaseback transaction recognised as a sale under AASB 15 Revenue from Contracts with Customers, AASB 16 requires the seller-lessee to measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The standard, however, does not specify how the liability arising in a sale and leaseback is measured. This impacts the measurement of the right-of-use asset and could result in recognition of a gain or loss on the right-of-use asset retained. Of particular concern is the impact of excluding from the lease liability, variable lease payments that do not depend on an index or rate. The issue has been addressed in the amendment, which specifies that the seller-lessee measures the lease liability arising from the leaseback in such a way that they would not recognise any gain or loss on the sale and leaseback relating to the right-of-use asset retained. The amendment does not prescribe specific measurement requirements for the lease liability arising from a leaseback. The seller-lessee will need to establish an accounting policy that results in information that is relevant and reliable in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment, however, includes examples illustrating the initial and subsequent measurement of the lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The amendment may represent a significant change in accounting policy for entities that enter into sale and leaseback transactions with such variable payments. The amendment to AASB 16 is applied retrospectively to sale and leaseback transactions entered into after the beginning of the annual reporting period in which an entity first applied AASB 16. Earlier application of the amendment is permitted.	1 January 2024	1 July 2024

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

3. SEGMENT INFORMATION

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

4. FINANCIAL RISK MANAGEMENT

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

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

Set out below is an overview of the financial instruments held by the Company as at 30 June 2023:

As at 30 June 2023	Cash and cash equivalents $	Financial assets / liabilities at amortised cost $
Financial assets		
Cash and cash equivalents	8,460,074	-
Other receivables and prepayments	-	215,237
Total current assets	8,460,074	215,237
Total financial assets	**8,460,074**	**215,237**
Financial liabilities		
Trade and other payables	-	1,559,470
Lease liabilities - current	-	86,933
Total current liabilities	-	1,646,403
Lease liabilities - non-current	-	-
Total non-current liabilities	-	-
Total financial liabilities	**-**	1,646,403
Net exposure	**8,460,074**	**(1,431,166)**

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

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

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market Risk

(i) Interest rate risk

Interest rate risk is the risk of loss to the Company arising from adverse changes in interest rates. The Company has no interest-bearing debt and is only exposed to interest rate risk in respect of amounts held in current, interest-bearing bank accounts and demand deposits. At 30 June 2023, the Company held $8,284,194 (2022: $15,832,202) in such accounts and deposits.

A 100 basis points decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable and possible change in interest rates. For each interest rate movement of 100 basis points lower, assuming all other variables were held constant, the Company's loss would increase by $82,842 (2021: $158,322).

Sensitivity analysis:

		Interest rate risk	
	Carrying amount $	-1% Profit/Equity $	+1% Profit/Equity $
30 June 2023			
Financial Assets			
Cash and cash equivalents	**8,284,194**	**(82,842)**	**82,842**
30 June 2022			
Financial Assets			
Cash and cash equivalents	15,832,202	(158,322)	158,322

Variable rate instruments:

	As at 30/6/2023		As at 30/6/2022	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Cash and cash equivalents	**3.89**	**8,284,194**	1.19	15,832,202

(b) Credit risk

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

(i) Cash

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

(ii) Receivables

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

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

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

(i) Financing arrangements

The Company does not have any financing arrangements (2022: None).

(ii) Maturities of financial liabilities

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

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

	Less than 3 months $	3 to 12 months $	1 to 5 years $	Total $
As at 30 June 2023				
Trade and other payables	1,559,470	-	-	1,559,470
Lease liabilities	14,706	66,179	-	80,885
	1,574,176	**66,179**	**-**	**1,640,355**
As at 30 June 2022				
Trade and other payables	1,308,381	-	-	1,308,381
Lease liabilities	21,211	63,916	80,885	166,012
	1,329,592	63,916	80,885	1,474,393

(d) Fair Value Measurements

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

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2).

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

The carrying value of financial assets and financial liabilities, excluding lease liabilities, approximates their fair value as at 30 June 2023 and 30 June 2022 given the nature of the financial assets and liabilities.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

- Key estimates: Share-based payments

The Company initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 22.

- Key estimates: Impairment of intangible assets

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

- Significant judgement: Research and development tax rebate

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

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

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

6. OTHER INCOME AND EXPENSES

	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Income		
Interest income	366,654	41,072
Other income		
R&D tax rebate (a)	4,887,935	3,640,082
Total other income	4,887,935	3,640,082
Total income	**5,254,589**	3,681,154
Expenses		
Research and development costs:		
Laboratory & clinical trial expenses	8,220,347	7,462,503
Regulatory & clinical development consultants	413,349	545,496
Other expenses	266,251	206,848
Total research and development costs	**8,899,947**	8,214,847

(a) The R&D tax rebate comprised an accrual of $3,883,834 relating to the financial year ended 30 June 2023 plus $1,004,101 relating to the prior year 30 June 2022 R&D tax rebate, which was an additional portion not recorded as a receivable as at 30 June 2022 but instead was recognised and recorded when received in the current year.

7. INCOME TAX

	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Reconciliation of operating loss to prima facie income tax expense		
Operating loss before income tax	(10,752,270)	(9,497,370)
Tax benefit at the Australian tax rate of 30% (2022: 30%)	(3,225,681)	(2,849,211)
Tax effect of amounts that are not deductible / taxable in calculating taxable income:		
Non-deductible expenses	4,399	2,925
Share-based payments	454,995	386,386
Research and development	935,991	1,418,377
Realised foreign exchange gain/(loss)	-	115
Deferred income tax asset not brought to account	1,830,296	1,041,408
Income tax expense	**-**	-
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	24,747,543	19,825,165
Potential tax benefit @ 30% (2022: 30%)	**7,424,263**	5,947,550
Unrecognised temporary differences Temporary differences for which deferred tax assets have not been recognised.		
- Provisions and accruals	184,575	140,323
- Intangible assets	1,728,742	1,415,995
- Capital raising costs	796,977	1,118,593
- Legal expenses	60,619	75,683
- Right of use adjustments	11,500	8,830
- Unrealised foreign exchange gain	7,131	(13,428)
- Fixed assets	(37,276)	(12,531)
	2,752,268	2,733,465
Unrecognised deferred tax asset relating to the above temporary differences @ 30% (2022: 30%)	**825,680**	820,040

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

8. CASH AND CASH EQUIVALENTS

	As at 30/06/2023 $	As at 30/06/2022 $
Cash at bank and on hand	1,280,160	4,270,017
Short term deposits	7,179,914	12,100,266
Total cash and cash equivalents	**8,460,074**	16,370,283

During the year ended 30 June 2023, the Company received interest revenue through holding cash and cash equivalents. The Company is expecting to receive a research and development tax incentive estimated at $3,883,834 for eligible expenditure incurred during the year ended 30 June 2023. This has been recognised as a receivable at year end. Refer to Note 9.

8. CASH AND CASH EQUIVALENTS (CONTINUED)

Reconciliation of net cash flows from operating activities

	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Loss for the year	(10,752,270)	(9,497,370)
Non cash items:		
Depreciation (computer equipment)	11,854	6,915
Depreciation (lease: office rental)	81,008	81,008
Amortisation expense	312,746	312,746
Share-based payment expense	1,516,650	1,287,955
Unrealised foreign currency gain	(10)	(13,394)
Change in assets and liabilities:		
Increase in trade and other receivables	(181,672)	(2,412,317)
Increase in trade and other payables	251,089	688,809
Increase in provisions	62,364	28,516
Net cash outflow used in operating activities	**(8,698,241)**	(9,517,132)

Non-cash financing and investing activities:
During the year, the Company issued 10,250,000 ordinary shares to a employees/contractors by way of provision of a limited recourse loan. Given that these shares are considered to be "in-substance options" or "rights" under Generally Accepted Accounting Principles, no loan amount is recognised in the financial statements. Refer to section 11.3(C)(iii) of the Remuneration Report for further information. There were no other non-cash financing and investing activities that occurred during the year ended 30 June 2023.

Financing facilities available:
As at 30 June 2023, the Company had no financing facilities available (2022: None). For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

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

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

9. OTHER RECEIVABLES AND PREPAYMENTS

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

	As at 30/06/2023 $	As at 30/06/2022 $
Prepaid insurance	104,686	104,572
Goods and services tax receivable	129,240	78,296
Research and development tax rebate receivable	3,883,834	3,640,082
Other receivables	110,551	223,689
Total other receivables and prepayments	**4,228,311**	4,046,639

10. PROPERTY, PLANT AND EQUIPMENT

	As at 30/06/2023 $	As at 30/06/2022 $
At cost	68,484	31,884
Accumulated depreciation	(31,208)	(19,353)
Total property, plant and equipment	**37,276**	12,531

Movements during the year

	Computer Equipment $	Total $
Opening balance at 1 July 2021	16,509	16,509
Acquisitions	2,937	2,937
Depreciation	(6,915)	(6,915)
Closing balance at 30 June 2022	12,531	12,531
Opening balance at 1 July 2022	12,531	12,531
Acquisitions	36,599	36,599
Depreciation	(11,854)	(11,854)
Closing balance at 30 June 2023	**37,276**	**37,276**

11. RIGHT-OF-USE ASSET & LEASE LIABILITY

Set out below are the amounts recognised in the statement of comprehensive loss for the year ended 30 June 2023:

	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Depreciation expense on right-of-use asset	81,008	81,008
Interest expense on lease liabilities	6,790	10,682
Rent expense - short-term leases	1,560	1,560
Total amounts recognised in profit or loss	**89,358**	93,250

Set out below are the carrying amounts of the Company's assets and lease liabilities recognised in the statement of financial position and the movements during the year ended 30 June 2023:

	Right-of-use Assets Leased Premises $	Lease Liability Leased Premises $
As at 1 July 2021	237,448	236,441
Depreciation expense	(81,008)	-
Interest expense	-	10,682
Payments	-	(81,853)
As at 30 June 2022	156,440	165,270
As at 1 July 2022	156,440	165,270
Depreciation expense	(81,008)	-
Interest expense (a)	-	6,790
Payments (a)	-	(85,127)
As at 30 June 2023 (b)	**75,432**	**86,933**

(a) The lease payments made during the year totalled $85,127 comprising $78,337 which represents the principal component and $6,790 which represents the interest expense component.

(b) Of the total lease liability amounting to $86,933, the entire amount is current, and $Nil is non-current.

12. INTANGIBLE ASSETS

	As at 30/06/2023 $	As at 30/06/2022 $
At cost	5,756,743	5,756,743
Accumulated amortisation	(3,349,031)	(3,036,285)
Total intangible assets	**2,407,712**	2,720,458

Movements during the year:

	Intellectual Property $
Opening balance at 1 July 2021	3,033,204
Amortisation expense	(312,746)
Closing balance at 30 June 2022	2,720,458
Opening balance at 1 July 2022	2,720,458
Amortisation expense	(312,746)
Closing balance at 30 June 2023	**2,407,712**

Intellectual property

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

As at 30 June 2023, the Company assessed there were no indicators of impairment reversal.

Subsequent patent applications (not included in Intangible Assets)

Actinogen continues to proactively extend its IP portfolio. However, the above amount for Intangible Assets does not include subsequent patent applications. During the period, the Company filed a provisional patent application for manufacturing and this patent has not yet been granted. Costs associated with this filing have been expensed in the current year. This is consistent with prior years. Only the prime patents on acquisition of Corticrine have been carried forward and amortised over the life of the patents.

13. TRADE AND OTHER PAYABLES

	As at 30/06/2023 $	As at 30/06/2022 $
Trade payables	1,101,471	898,739
Accruals and other payables	148,199	91,395
Provision for payroll tax	-	13,663
Accrued employee bonuses	256,050	264,291
Employee tax liabilities	53,750	40,293
Total trade and other payables	**1,559,470**	1,308,381

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

14. CONTRIBUTED EQUITY

(a) Fully paid ordinary shares

	As at 30/06/2023 $	As at 30/06/2022 $
Fully paid ordinary shares	83,652,836	81,883,378
Capital raising costs	(4,940,708)	(4,940,708)
Total contributed equity	**78,712,128**	76,942,670

As at 30 June 2023 there were 1,816,252,150 ordinary shares on issue. Ordinary shares entitle the holder to participate in dividends and the winding up of the Company in proportion to the number and amount paid on the share held.

Of the 1,816,252,150 ordinary shares on issue, 95,012,300 are Loan Shares of which 10,250,000 were issued to an employee and contractor during the year. Although they are issued ordinary shares that carry voting and divided rights they have been accounted for as "in-substance options".

Refer to the Directors' Report, specifically section 3(C)(b)(iii) of the Remuneration Report for further information on these loan shares.

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

	Date	Quantity	Unit Price $	Total $
Balance at 30 June 2021		1,660,558,547		60,054,459
Issue of employee loan shares	16/09/2021	11,900,000	0.110	1,309,000
Institutional Placement	1/12/2021	88,091,659	0.135	11,892,374
Issue of director loan shares	18/11/2021	4,500,000	0.200	900,000
Share Purchase Plan	20/12/2021	9,796,389	0.135	1,322,501
Capital raising costs	1/01/2022			(831,289)
Issue of employee loan shares	13/01/2022	4,000,000	0.195	780,000
Share Purchase Plan	6/04/2022	797,222	0.135	107,625
Issue of employee loan shares	24/05/2022	16,000,000	0.088	1,408,000
Balance at 30 June 2022		1,795,643,817		76,942,670
Issue of employee loan shares	15/07/2022	250,000	0.066	16,500
Exercise of unlisted options	11/11/2022	1,500,000	0.100	150,000
Exercise of unlisted options	9/12/2022	8,858,333	0.085	752,958
Issue of employee loan shares	20/03/2023	10,000,000	0.085	850,000
Balance at 30 June 2023		**1,816,252,150**		**78,712,128**

(b) Reserve shares

Reserves shares ('Loan shares') are ordinary shares that have historically been accounted for as "in-substance options". No loan amount is recognised in the financial statements. As at 30 June 2023, the following reserve shares were on issue.

	Date	Quantity	Unit Price $	Total $
Balance at 30 June 2021		(48,362,300)		(1,934,492)
Issue of employee loan shares	16/09/2021	(11,900,000)	0.110	(1,309,000)
Issue of non-executive Director loan shares	18/11/2021	(4,500,000)	0.200	(900,000)
Issue of employee loan shares	13/01/2022	(4,000,000)	0.195	(780,000)
Issue of employee loan shares	24/05/2022	(16,000,000)	0.088	(1,408,000)
Balance at 30 June 2022		(84,762,300)		(6,331,492)
Issue of employee loan shares	15/07/2022	(250,000)	0.066	(16,500)
Issue of employee loan shares	20/03/2023	(10,000,000)	0.085	(850,000)
Balance at 30 June 2023		**(95,012,300)**		**(7,197,992)**

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

14. CONTRIBUTED EQUITY (CONTINUED)

(c) Unissued ordinary shares under option

Quantity	Type of Option	Grant Date	Exercise Price	Expiry Date
6,400,000	Director Options	28/11/2018	$0.085	27/11/2023
5,700,000	Employee Options	12/12/2018	$0.085	12/12/2023
5,000,000	Employee Options	1/02/2019	$0.093	1/02/2024
3,000,000	Director Options	4/04/2019	$0.100	4/04/2024
5,000,000	Director Options	24/03/2017	$0.100	24/03/2025
1,600,000	Employee Options	28/09/2020	$0.046	27/09/2025
26,700,000	**Total unissued ordinary shares under option**			

During the year, and up to the date of this Report, no options were issued, expired, lapsed or forfeited. However, during the year 1,500,000 options were exercised at $0.10 each and 8,858,333 options were exercised at $0.085 each. No option holder has any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

(d) Terms and Conditions of Issued Capital

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

(e) Capital risk management

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

15. RESERVES

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

	As at 30/06/2023 $	As at 30/06/2022 $
Option reserve	10,584,632	9,067,982
Total reserves	**10,584,632**	9,067,982

Movements during the year:	**Year ended 30/06/2023 $**	Year ended 30/06/2022 $
Balance at the beginning of the period	9,067,982	7,780,027
Share-based payment expense on Director options	-	25,745
Share-based payment expense on Employee options	9,867	34,459
Share-based payment expense on Employee loan shares	1,130,082	580,749
Share-based payment expense on Director loan shares	376,701	647,002
Balance at end of period	**10,584,632**	9,067,982

Total share-based payment expenses recognised during the year amounted to $1,516,650. For further information on share-based payments refer to Note 22. For further information on loan shares and unissued ordinary shares under option refer to Note 14.

16. REMUNERATION OF AUDITOR

	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Amounts paid or payable to Ernst & Young for:		
An audit or review of the financial statements of the entity	75,700	69,500
	75,700	69,500

17. LOSSES PER SHARE

	Full year ended 30/06/2023	Full year ended 30/06/2022
Net loss used in calculating loss per share ($)	(10,752,270)	(9,497,370)
Weighted number of ordinary shares used as the denominator ('000)	1,801,548	1,717,092
Basic and diluted loss per share from continuing operations attributable to the ordinary shareholders of the Company (cents)	(0.60)	(0.55)

As at 30 June 2023, there were 26,700,000 (2022: 37,058,333) unissued ordinary shares under option and 95,012,300 loan shares (2022: 84,762,300) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future but are anti-dilutive for the current period presented. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

18. COMMITMENTS AND CONTINGENCIES

The Directors are not aware of any material commitments, contingent liabilities or assets that exist at 30 June 2023 (2022: USD$480,000).

19. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 2 August 2023 the Company announced a Rights Issue to all eligible shareholders to raise approximately $10 million (before costs) and issue of approximately 400 million new shares and approximately 200 million new unlisted options The closing date is 4 September 2023.

The non renounceable offer is as follows:

1. One new share for every 4.54 shares held at an issue price of $0.025 (2.5 cents) per new share; and
2. One free unlisted option for every two new shares issued under the offer. The new unlisted options have an exercise price of $0.0375 (3.75 cents) each and have an expiry date of 36 months after the issue date.

Other than the above, no other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

20. RELATED PARTY TRANSACTIONS

There were no related party transactions that occurred during the year other than transactions with KMP as set out in Note 21.

Notes to the Financial Statements
(continued)

21. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

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

	Full year ended 30/06/2023 $	Full year ended 30/06/2022 $
Short-term employee benefits	1,494,866	1,233,828
Termination benefits	-	-
Post-employment benefits	71,543	56,725
Long-term benefits	63,652	50,880
Share-based payments	861,624	897,681
	2,491,685	2,239,114

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

22. SHARE-BASED PAYMENTS

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

Type of SBP	Vesting Criteria	Quantity as at 1 July 2022	Quantity issued or (exercised) during the year	Quantity as at 30 June 2023	Grant Date	Expiry Date	Expected Volatility	Risk-free Interest Rate	Fair value per option
Director options	(a)	5,000,000	-	5,000,000	24/03/2017	24/03/2025	100%	2.61%	$0.049
Director options	(a)	1,500,000	(1,500,000)	-	18/01/2018	1/12/2022	60%	2.44%	$0.013
Director options	(a)	15,175,000	(8,775,000)	6,400,000	28/11/2018	27/11/2023	54%	2.29%	$0.014
Employee options	(b)	5,783,333	(83,333)	5,700,000	12/12/2018	12/12/2023	54%	2.15%	$0.016
Employee options	(c)	5,000,000	-	5,000,000	1/02/2019	1/02/2024	54%	1.83%	$0.019
Director options	(a)	3,000,000	-	3,000,000	4/04/2019	4/04/2024	49%	1.50%	$0.014
Employee options	(d)	1,600,000	-	1,600,000	28/09/2020	27/09/2025	60%	0.32%	$0.009
Total options		**37,058,333**	**(10,358,333)**	**26,700,000**					
Loan shares	(e)	48,362,300	-	48,362,300	15/03/2021	15/03/2026	80%	0.71%	$0.015
Loan shares	(f)	11,900,000		11,900,000	16/09/2021	16/09/2026	100%	0.62%	$0.064
Loan shares	(g)	4,500,000		4,500,000	18/11/2021	18/11/2026	100%	1.38%	$0.119
Loan shares	(f)	4,000,000		4,000,000	13/01/2022	13/01/2027	100%	1.47%	$0.111
Loan shares	(f)	16,000,000		16,000,000	24/05/2022	24/05/2027	100%	3.04%	$0.052
Loan shares	(f)	-	250,000	250,000	15/07/2022	14/07/2027	95%	3.16%	$0.041
Loan shares	(g)	-	10,000,000	10,000,000	20/03/2023	19/03/2028	80%	2.95%	$0.049
Total loan shares		**84,760,300**	**10,250,000**	**95,012,300**					
Total SBP on issue		**121,820,633**	**(108,333)**	**121,712,300**					

Vesting Criteria:

(a) Director Options issued outlined above have fully vested. These options were issued to vest over a period of three years from the date of grant and were subject to continuous service to the Company by each Non-Executive Director during the period from the date of grant up to and including the applicable vesting dates. While there were no performance conditions attached to these Director Options, the awards are reward for fulfilling the role of Non-Executive Director of the Company and to provide adequate incentive for continued service to the Company.

(b) Employee options issued under an Employee Option Plan to various employees to vest quarterly over a period of 3 years from Grant Date, subject to continuous employment with the Company during the period from the date of grant up to and including the applicable vesting dates. As at 30 June 2023, these options have fully vested.

(c) Employee options issued under an Employee Option Plan to a consultant whereby 500,000 options have no vesting conditions attached, 1.5 million options vesting is conditional upon execution of the first term sheet which is substantially associated with a patterning deal; and 3 million options is conditional upon execution of the first commercial agreement which is substantially associated with a deal (option, licence, company acquisition or other arrangement).

(d) Employee options issued under an Employee Option Plan to the Chief Financial Officer whereby one-third vest 12 months from Grant Date, and the balance vest in equal quarterly increments over the remaining 24 months.

(e) Loan Shares issued to the Chief Executive Officer whereby one-quarter vest 12 months from Grant Date and the and the remainder vest in equal monthly increments over the remaining 24 months.

(f) Loan Shares issued to various employees and a consultant whereby one-quarter vest 12 months from Grant Date and the and the remainder vest in equal monthly increments over the remaining 24 months.

(g) Loan Shares issued to Non-Executive Directors and the Chief Medical Officer whereby one-third vest 12 months from Grant Date and the remainder vest in equal quarterly increments over the remaining 24 months.

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

Notes to the Financial Statements
(continued)

22. SHARE-BASED PAYMENT (CONTINUED)

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

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

The table below summarises the options on issue, including loan shares that are in substance options, and the movements in share-based payments during the year as at 30 June 2023. There were no SBP that lapsed during the year.

Type of SBP	Quantity on issue	Total SBP valuation	Opening value SBP expense as at 1 July 2022	Value recognised during the year	Closing value of SBP expense as at 30 June 2023	Value to be recognised in future years
Director options	5,000,000	$245,286	$245,286	-	$245,286	-
Director options (a)	1,500,000	$19,350	$19,350	-	$19,350	-
Director options (a)	15,175,000	$215,485	$215,485	-	$215,485	-
Employee options (a)	5,783,333	$91,377	$91,377	-	$91,377	-
Employee options	5,000,000	$92,500	$84,294	$8,206	$92,500	-
Director options	3,000,000	$42,396	$42,396	-	$42,396	-
Employee options	1,600,000	$14,948	$13,186	$1,662	$14,848	$100
Total options	**37,058,333**	**$721,342**	**$711,374**	**$9,868**	**$721,242**	**$100**
Loan shares	48,362,300	$733,990	$568,980	$142,448	$711,428	$22,562
Loan shares	11,900,000	$764,395	$392,633	$284,786	$677,419	$86,976
Loan shares	4,500,000	$534,646	$220,932	$234,252	$455,184	$79,462
Loan shares	4,000,000	$443,577	$133,421	$225,640	$359,061	$84,516
Loan shares	16,000,000	$827,144	$54,694	$517,499	$572,193	$254,951
Loan shares	250,000	$10,299	-	$9,269	$9,269	$1,030
Loan shares	10,000,000	$494,036	-	$92,888	$92,888	$401,148
Total loan shares	**95,012,300**	**$3,808,087**	**$1,370,660**	**$1,506,782**	**$2,877,442**	**$930,645**
Total SBP	**132,070,633**	**$4,529,429**	**$2,082,034**	**$1,516,650**	**$3,598,684**	**$930,745**

(a) Refer to Note 14(c) for detailed information on options that were exercised during the year.

Directors' Declaration

In the Directors' opinion:

1. The Financial Statements and Notes set out on pages 39 to 62, are in accordance with the *Corporations Act 2001* including:
   (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements,
   (b) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date,
2. The remuneration disclosure included in the audited Remuneration Report in the Directors' Report complies with Section 300A of the *Corporations Act 2001*.
3. The Directors have been given the declaration by the Managing Director and Chief Financial Officer (or equivalent) as required by section 295A of the *Corporations Act 2001*.
4. The Company has included in the Notes to the Financial Statements an explicit and unreserved statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.
5. Subject to the matter set out in Note 2(b) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dr Steven Gourlay
Managing Director
Sydney, New South Wales
30 August 2023

Independent Auditor's Report

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Actinogen Medical Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the Company's financial position as at 30 June 2023 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report, which describes the events or conditions that raise doubt about the Company's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be a key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

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

Research and development rebate

Why significant	How our audit addressed the key audit matter
The Company has recognised a rebate receivable of $3.9 million from the Australian Taxation Office (ATO) for eligible Research & Development (R&D) expenditure (R&D rebate) relating to its ongoing research activities for the development of Xanamem during the 30 June 2023 year. This amount has been included in other receivables and prepayments on the statement of financial position as at 30 June 2023 and in Note 9 of the financial report. 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 receivable calculation and the significance of this source of cash inflow for the Company, we considered this to be a key audit matter.	We involved our R&D taxation specialists to assess the eligibility of expenditure included in the R&D claim and the overall appropriateness of the R&D rebate receivable calculated by the Company's external expert. We evaluated the qualifications, competency and objectivity of the Company's external expert. We assessed the appropriateness of 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*. We assessed the adequacy of the disclosures in Note 9 to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 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.

Independent Auditor's Report (continued)

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.

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

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

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Actinogen Medical Limited for the year ended 30 June 2023, 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

Pierre Dreyer
Partner
Perth
30 August 2023

Shareholder Information

Substantial shareholders:

The following substantial shareholders have lodged notices with the company as at 3 August 2023:

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

Distribution of ordinary shareholders as at 3 August 2023

Range of Holding	Holders	Shares
1-1,000	119	14,013
1,001-5,000	296	1,102,362
5,001-10,000	592	4,825,465
10,001 - 100,000	2,258	95,349,260
100,001 – over	1,456	1,714,961,050
Total	**4,721**	**1,816,252,150**
Shareholders with less than a marketable parcel	1,455	

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

Twenty Largest holders of quoted ordinary shares as at 3 August 2023

	Number of Shares	Percentage of Issued Capital
HSBC Custody Nominees (Australia) Limited	250,917,257	13.82%
Dr Steven Gourlay	48,362,300	2.66%
Edinburgh Technology Fund Limited	48,147,864	2.65%
JSC Wealth Management Pty Ltd	44,655,962	2.46%
Citicorp Nominees Pty Limited	38,237,380	2.11%
Tisia Nominees Pty Ltd <Henderson Family A/C>	29,440,621	1.62%
Garnsworthy Pension Fund Pty Ltd <Garnsworthy Pension Fund A/C>	22,000,000	1.21%
Mr James Murch & Mrs Catherine Murch <MINJAL Super Fund A/C>	20,500,000	1.13%
Kaleidoscope Holdings Pty Ltd <Kaleidoscope Super A/C>	20,346,473	1.12%
SG Gourlay Nominees Pty Ltd <SF Gourlay Family A/C>	15,797,222	0.87%
Amber Court Nominees Pty Ltd <Min Min Light A/C>	15,023,401	0.83%
Iral Pty Ltd <IRAL A/C>	15,000,000	0.83%
Mrs Gillian Karen Nes & Mrs Ronald Nes <GIRO S/F A/C>	15,000,000	0.83%
Big Eater Pty Ltd <Brigitte Smith Family A/C>	12,999,659	0.72%
John Dahlsen Superannuation Fund Pty Ltd	12,900,000	0.71%
HSBC Custody Nominees (Australia) Limited – A/C 2	12,461,934	0.69%
SVE Capital Pty Ltd <Strategic Vision Unit A/C>	10.643,549	0.59%
Rickenbacker Capital Investments Pty Ltd	10,400,000	0.57%
Brazil Farming Pty Ltd	10,069,970	0.55%
Van Am Marketing Pty Ltd	10,000,854	0.55%
TOTAL	**662,904,446**	**36.52%**

Unquoted Securities as at 3 August 2023

1. There were 6,400,000 unlisted options exercisable at $0.085 each and expiring on 27 November 2023 held by three holders, on issue. Details of the holders holding more than 20% are outlined below:

	Number of Options	Percentage
Dr Geoffrey Edward Duncan Brooke	4,900,000	76.56%
Dr George Morstyn	1,500,000	23.44%

2. There were 5,700,000 unlisted employee share option plan options exercisable at $0.085 each and expiring on 12 December 2023 held by five holders, on issue.

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

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

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

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

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

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

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

Restricted Securities

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

On-Market Buy-Back

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

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

Corporate Directory

Board of Directors

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

Company Secretary

Mr Peter Webse

Investor Relations

Mr Michael Roberts

Principal Place of Business / Registered Office

Suite 901
Level 9
109 Pitt Street
Sydney NSW 2000

Contact Details

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ABN 14 086 778 476

Lawyers

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

Share Register

Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

Auditors

Ernst & Young
Australia

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

AGM details

Actinogen Medical Limited
ABN: 14 086 778 476

Annual General Meeting

This year's Annual General Meeting will be held in person.

Date: 8 November 2023

Meeting time and details to be advised.


42%
STATUS: 15% COMPLETE
FUNC ATAT: STABLE
TEMP: 104.2