

ACTINOGEN LIMITED

ABN 14 086 778 476

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015



ACTINOGEN LIMITED

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ACTINOGEN LIMITED CORPORATE DIRECTORY

Board of Directors

Executive Chairman – Mr Martin Rogers
Managing Director – Dr Bill Ketelbey
Non-Executive Director – Dr Jason Loveridge
Non-Executive Director – Dr Anton Uvarov

Company Secretary

Company Secretary - Peter Webse

Principal Place of Business / Registered Office

Level 9, Suite 1, 68 Pitt Street
Sydney NSW 2000

Postal Address

PO Box 271
West Perth WA 6872

Contact Details

Telephone: 02 8964 7401
www.actinogen.com.au
ABN 14 086 778 476

Auditors

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

Lawyers

GTP Legal
Level 1, 28 Ord Street
West Perth WA 6005

Share Register

Automatic Registry Services
Suite 1A, Level 1
7 Ventnor Avenue
West Perth WA 6005

Actinogen Limited shares are listed on
the Australian Stock Exchange (ASX)
ASX Code: ACW

Bankers

National Australia Bank
1232 Hay Street
West Perth WA 6005

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

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

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

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

This Statement was approved by the Board of Directors and is current as at 13 August 2015.

Principle 1: Lay solid foundations for management and oversight

Roles of the Board & Management

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

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

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

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CORPORATE GOVERNANCE STATEMENT

- Code of Conduct;
- Continuous Disclosure Policy;
- Diversity Policy;
- Performance Evaluation Policy;
- Procedures for Selection and Appointment of Directors;
- Remuneration Policy;
- Risk Management and Internal Compliance and Control Policy.
- Securities Trading Policy; and
- Shareholder Communications Policy.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board has delegated to the Managing Director responsibility for the management and operation of Actinogen. The Managing Director is responsible for the day-to-day operations, financial performance and administration of Actinogen within the powers authorised to him from time-to-time by the Board. The Managing Director may make further delegation within the delegations specified by the Board and is accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter on the Actinogen Website.

Board Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time including audit, risk, remuneration or nomination committees, preferring at this stage of the Company's development, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the Audit, Risk, Remuneration and Nomination Committees.

If the Company's activities increase, in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if appropriate.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

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

Diversity

The Company has adopted a formal Diversity Policy and is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Company Board.

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

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

The proportion of women in the consolidated entity as at 13 August 2015 is as follows:

- Women on the board: 0 of 4 (0%)
- Women in senior executive positions: 0 of 3 (0%)
- Women in the organisation: 2 of 7 (29%)

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

Board & Management Performance Review

On an annual basis, the Board conducts a review of its structure, composition and performance

The annual review includes consideration of the following measures:

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

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

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

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

The Board conducts an annual performance assessment of the Managing Director against agreed key performance indicators.

Board and management performance reviews were conducted during the financial year in accordance with the above processes.

Independent Advice

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

Principle 2: Structure the board to add value

Board Composition

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

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Mr Martin Rogers	Executive Chairman (appointed 1 December 2014)
Dr Bill Ketelbey	Managing Director (appointed 18 December 2014)
Dr Jason Loveridge	Non-Executive Director (appointed 1 December 2014)
Dr Anton Uvarov	Non-Executive Director (appointed 16 December 2013)
Dr Brendan de Kauwe	Executive Chairman (appointed 23 September 2013, resigned 18 December 2014)
Daniel Parasiliti	Non-Executive Director (appointed 23 September 2013, resigned 1 December 2014)

The Board currently consists of two Executive Directors being the Chairman and Managing Director, and two Non-Executive Directors.

Actinogen has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

The Company's Executive Chairman, Mr Martin Rogers, is not an independent director, neither was the Company's former Executive Chairman, Dr Brendan de Kauwe. The Board believes it is important to have the Chairman engaged in an executive capacity at this critical stage of the Company's development. The Board values the insight and advice provided by Mr Rogers and considers that the materiality of his relationship is such that it does not interfere with his capacity to bring an independent judgment on issues before the Board and to act in the best interests of Actinogen and its security holders generally.

The Board does not currently consist of a majority of independent directors. It had a majority of independent directors, being Dr Anton Uvarov and Mr Daniel Parasiliti up until the latter's resignation in December 2014. Dr Anton Uvarov is the only current director considered to be independent. Dr Jason Loveridge is not considered to be independent as he was a substantial shareholder of the Company up to the completion of a capital raising by the Company in May 2015. Given the size of the Board and the nature and scale of the Company's current operations the Board believes the presence of one independent director on the Board is sufficient.

Board Selection Process

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

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

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

Induction of New Directors and Ongoing Development

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

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Principle 3: Act ethically and responsibly

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

All employees and Directors are expected to:

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

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

Principle 4: Safeguard integrity in corporate reporting

The Board as a whole fulfills to the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.

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

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.

The external auditors attend Actinogen's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

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

CEO Certifications

The Board has received certifications from the CEO in connection with the financial statements for the Actinogen for the Reporting Period. The Company does not currently have a CFO. The certifications state that the declaration provided in accordance with Section 295A of the Corporations Act as to the integrity of the financial statements is founded on a sound system of risk management and internal control which is operating effectively.

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Principle 5: Make timely and balanced disclosure

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

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

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

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

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

Principle 6: Respect the rights of security holders

The Company recognizes the value of providing current and relevant information to its shareholders.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the company website, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the "contact us" page of the Company's website.

Shareholders may elect to, and are encouraged to, receive communications from Actinogen and Actinogen's securities registry electronically.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

Principle 7: Recognise and manage risk

The Board is committed to the identification, assessment and management of risk throughout Actinogen's business activities.

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

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

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

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

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

The Board has required management to design and implement a risk management and internal compliance and control system to manage Actinogen's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks

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

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

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of Actinogen's management of its material business risks on at each meeting.

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Principle 8: Remunerate fairly and responsibly

Actinogen's Remuneration Policy was designed to recognise the competitive environment within which Actinogen operates and also emphasise the requirement to attract and retain high caliber talent in order to achieve sustained improvement in Actinogen's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Actinogen.

The key principles are to:

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

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

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

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options. They do not receive any termination or retirement benefits, other than statutory superannuation.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$150,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

The total fees paid to Non-Executive Directors during the reporting period were \$126,668.

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

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

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' Report.

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DIRECTORS' REPORT

Your Directors present their report pertaining to Actinogen Limited ("Company" or "Actinogen") for the year ended 30 June 2015.

➤ INFORMATION ON DIRECTORS

1. BOARD OF DIRECTORS

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

Name	Position	Appointed	Resigned
Dr Bill Ketelbey	Managing Director / Chief Executive Officer	18/12/2014	-
Mr Martin Rogers	Executive Chairman	1/12/2014	-
Dr Jason Loveridge	Non-Executive Director	1/12/2014	-
Dr Anton Uvarov	Non-Executive Director	16/12/2013	-
Dr Brendan de Kauwe	Executive Chairman	23/09/2013	18/12/2014
Mr Daniel Parasiliti	Non-Executive Director	23/09/2013	1/12/2014

Dr Bill Ketelbey (appointed 18 December 2014)
MBBCh, FFPM, MBA, GAICD
Managing Director and Chief Executive Officer

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

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

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

Mr Martin Rogers (appointed 1 December 2014)
B.Eng(Chem), B. Sc.
Executive Chairman

Mr Rogers is a well-recognised Australian biotechnology entrepreneur and executive. The appointment of Mr Rogers will add substantial capital markets experience to the current Board of the Company.

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

- Non-Executive Chairman – Rhinomed Limited (ASX: RNO) – Appointed 3 September 2012 – Current.
- Non-Executive Director – Oncosil Limited (ASX: OSL) – Appointed 3 April 2013 – Current; and

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DIRECTORS' REPORT

- Non-Executive Director – Cellmid Limited (ASX: CDY) – Appointed 19 September 2012 – Resigned 30 June 2015.

Dr Jason Loveridge (appointed 1 December 2014)

BSc PhD FRSM

Non-Executive Director

Dr. Loveridge has been working in the biotech and medtech industries for over 25 years and brings extensive experience in the commercialisation of medical research to the Board of Actinogen. As a venture investor with JAFCO Nomura Dr. Loveridge invested in over 24 companies in Europe, the US and Israel and has been directly involved in the management of a number of innovative companies in the medical arena.

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

- Non-Executive Director of Resonance Health Limited (ASX: RHT) – appointed February 2013 – Current.

Dr Anton Uvarov (appointed 16 December 2013)

PhD BioChem.Med.Gen, MBA

Non-Executive Director

Dr Uvarov has significant experience as an equity analyst in healthcare sector, both domestically and internationally. Prior to moving to Australia he was with Citigroup Global Markets where he spent two years as a member of New York based biotechnology team.

Dr Uvarov holds a PhD degree in Biochemistry and Medical Genetics from the University of Manitoba, Canada and an MBA degree from the University of Calgary, Canada.

During the past three years Dr Uvarov has also served as a Director of the following listed companies:

- Executive Director of Sun Biomedical Limited (ASX: SBN) – appointed 20 November 2013 – Current; and
- Non-Executive Director of Acuvax Limited (ASX: ACU) – appointed: 10 October 2013; resigned 14 March 2014.

The following Directors resigned during the year:

Dr Brendan de Kauwe (appointed 23 September 2013; resigned 18 December 2014)

BDS (UWA), Grad Dip App Fin

Executive Chairman

Dr de Kauwe was initially appointed as Non-Executive Director on 23 September 2013, then made Executive Director on 19 November 2013, and then made Executive Chairman on 23 April 2014.

Dr de Kauwe studied a Bachelor of Science and a Bachelor of Dental Surgery at the University of Western Australia. He also holds a Post Graduate Diploma in Applied Finance, majoring in Corporate Finance, is currently completing his Masters in Applied Finance and is an ASIC compliant (RG146) Securities Adviser.

Dr de Kauwe's extensive science and bio-medical background with more than 10 years' experience in the health sector; coupled with his finance backing, gives him an integral understanding in the evaluation of projects over a diverse range of sectors.

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DIRECTORS' REPORT

During the past three years Dr de Kauwe has also served as a Director of the following listed companies:

- Non-Executive Director of Raya Group Limited (ASX: RYG) – appointed on 25 May 2015.
- Non-Executive Director of Prescient Therapeutics Limited (ASX: PTX) (formerly known as: Virax Holdings Limited (VHL)). Appointed 30 August 2013; resigned on 29 November 2014.
- Non-Executive Director of Cossack Energy Limited (ASX Code: COD). Appointed 29 February 2012; resigned in July 2013.

Mr Daniel Parasiliti (appointed 23 September 2013; resigned 1 December 2014)

BSc. Physiotherapy

Non-Executive Director

Mr Parasiliti has many years experience in Injury Management, Industrial Health, and as a Private Practice and Independent Physiotherapist Practitioner. Mr Parasiliti is a Partner in one of WA's largest Physiotherapy Practices in WA, Midland Physiotherapy, which employes 14 Physiotherapists, 2 Massage therapists, also other speciality professionals including Audiologists, Ear Nose and Throat Specialists and Cardiac technicians just to name a few. Since graduating as a Physiotherapist from Curtin University of Technology in 2005, Mr Parasiliti has gained extensive knowledge in private practise Physiotherapy, Allied Health Consultancy, Policy, business and patient management.

Mr Parasiliti is currently completing his Post Graduate Juris Doctorate of Law at Murdoch University, where he has a focus on property, contract, mediation, and corporation law.

Mr Parasiliti was a former Political Candidate for the State Seat of Midland which he narrowly lost by 24 votes, which is now one of the most marginal seats in Australia. Mr Parasiliti has gained an extensive network within both the State and Federal Government, subsequently leading to his campaign victory in 2013 in the Local Government elections for the City of Swan ward, Midland-Guildford.

Mr Parasiliti held no other directorships during the past three years.

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 of the Company were as follows:

Name	Fully paid ordinary shares	Loan shares (b)	Total
Dr Bill Ketelbey	342,894	12,000,000	12,342,894
Mr Martin Rogers	11,407,894	25,000,000	36,407,894
Dr Jason Loveridge (a)	21,875,078	6,000,000	27,875,078
Dr Anton Uvarov	4,187,244	-	4,187,244
Total	37,813,110	43,000,000	80,813,110

(a) 14,717,184 subject to voluntary escrow until 30 November 2015.

(b) During the year 43,000,000 Loan Shares were issued to Directors of which 18,000,000 have vested as at 30 June 2015.

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DIRECTORS' REPORT

2. DIRECTORS' MEETINGS

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

Director	Number of meetings available to attend	Number of meetings attended
Mr Martin Rogers	8	8
Dr Bill Ketelbey	8	8
Dr Jason Loveridge	8	8
Dr Anton Uvarov	12	12
Dr Brendan de Kauwe	5	5
Mr Daniel Parasiliti	4	3

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

3. CORPORATE GOVERNANCE

The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and has disclosed its level of compliance with those guidelines within the Corporate Governance Statement which is included as part of this financial report.

4. COMPANY SECRETARY

The following person held the position of Company Secretary during the financial year.

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

Mr Webse has over 24 years' company secretarial experience and is managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. Mr Webse holds a Bachelor of Business with a double major in Accounting and Finance, is a Fellow of the Governance Institute of Australia, a Fellow Certified Practising Accountant and a Member of the Australian Institute of Company Directors.

5. SHARES UNDER OPTION

As at the date of this report, there were 63,103,177 unissued ordinary shares under option of the Company are as follows:

- 9,103,177 listed options at \$0.40 per share exercisable on or before 30 September 2015; and
- 48,500,000 unlisted options at \$0.02 per share exercisable on or before 30 November 2018; and
- 5,500,000 unlisted Facilitator options at \$0.02 per share exercisable on or before 30 November 2018.

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. For further details of the options outstanding please refer to the Remuneration Report which is included as part of this financial report.

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DIRECTORS' REPORT

➤ OPERATIONS AND FINANCIAL REVIEW

6. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the year was on biotechnology focused on the development of novel treatments for Alzheimer's disease and other major age-related neurodegenerative disorders

7. REVIEW OF OPERATIONS

Highlights during the year:

- (i) Acquisition of Corticrine Limited completed
- (ii) Changes to the Actinogen Board and Management
- (iii) VAT refund received in June 2015 Quarter
- (iv) \$13.2 million in additional capital raised
- (v) Successful completion of first stage of Alzheimer's drug clinical trial.
- (vi) Appointment of Clinical Advisors
- (vii) Update on Actinogen's legacy research

(i) Acquisition of Corticrine Limited

The acquisition of 100% of Corticrine Ltd was completed on 1 December 2014. Corticrine has licensed worldwide development and commercialisation rights from the University of Edinburgh to Xanamem™ (formerly known as UE2343), which is in clinical development for Alzheimer's disease. With significant support from the Wellcome Trust, the University of Edinburgh successfully completed a Phase 1 single ascending dose (SAD) study of Xanamem™ in healthy human volunteers. It was shown to be well tolerated in humans with no serious adverse events.

The new management team and Clinical and Scientific Advisory Boards for Actinogen Medical are in place and taking the project forward. Near term value inflection points – a Phase 1 multiple ascending dose, fed/fasted and CNS pharmacokinetics study of Xanamem™ that completes in Q3 2015, and a Phase 2 proof-of-concept study in patients with early Alzheimers disease expected to dose the first patient in the first half of 2016.

The Board of Directors is extremely pleased to have secured a project of such caliber and potential, and believe that the transaction will transform Actinogen into a clinical stage company with an asset that has the potential to become an important treatment for Alzheimer's dementia, a multi-billion dollar market. According to the World Health Organization 18 million people are affected globally with Alzheimer's with 5.1 million in the US alone. The expected growth in the number of Alzheimer's patients is equally substantial, with the patient population tripling within the next 30 years. There are currently only 4 approved regularly prescribed Alzheimer's drugs, however their effect is limited – the market is significantly unsatisfied and new therapies are desperately needed. This market could potentially surpass \$20B USD with the approval of the new drug to treat the disease.

(ii) Changes to Actinogen's Board & Management:

Following completion of Corticrine transaction, the following changes were made to the Board of Directors:

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- **Appointment of Dr Bill Ketelbey – Managing Director and Chief Executive Officer**
Dr Ketelbey was appointed to the Board as Managing Director and Chief Executive Officer. Dr Ketelbey is a highly experienced and successful healthcare and pharmaceutical sector professional, with 30 years' experience in the industry, including senior medical and management roles with global pharmaceutical giant, Pfizer. The appointment was effective from 18 December 2014
- **Appointment of Mr Martin Rogers – Executive Chairman**
Mr Rogers is a well-recognised Australian biotechnology entrepreneur and executive. The appointment of Mr Rogers will add substantial capital markets experience to the current Board of Actinogen Limited. The appointment was effective from 1 December 2014.
- **Appointment of Dr Jason Loveridge (founder of Corticrine Limited) – Non-Executive Director**
Dr Loveridge brings extensive experience in developing clinical stage biotechnology companies to the Board of Actinogen. The appointment was effective from 1 December 2014.
- **Other**
In other Board changes Dr Brendan de Kauwe and Mr Daniel Parasiliti resigned from the Board effective 18 December 2014 and 1 December 2014 respectively.

(iii) VAT Refund

A VAT refund of approximately GBP 238,000 (approx. AUD 452,000) was received in the June 2015 quarter.

(iv) Capital raising

During the year the Consolidated Entity successfully completed the following capital raisings.

- \$1 million (Tranche 1) raised via the issue of 50,000,000 ordinary fully paid shares at an issue price of 2 cents per share to sophisticated and institutional investors in September 2014; and
- \$1.39 million (Tranche 2) raised via the issue of 69,500,000 ordinary fully paid shares at an issue price of 2 cents per share to Directors, sophisticated and institutional investors following shareholder approval at the AGM in November 2014, accompanying the acquisition of Corticrine Limited.
- \$10 million raised via the issue of 105,289,474 ordinary fully paid shares at an issue price of 9.5 cents per share to sophisticated and institutional investors in May 2015.
- \$830,000 raised via the issue of 8,736,746 ordinary fully paid shares at an issue price of 9.5 cents per share under a Shareholder Share Purchase Plan (SPP) in May 2015.

(v) Excellent progress with Xanamem research program.

Since acquiring Xanamem at the end of 2014, Actinogen has already completed the first 2 stages of the second Phase I healthy volunteer trial – these are the multiple ascending dose trail of 24 participants and the fed/fasted study in 12 participants.

Both the first and second stages of this study demonstrated the safety and tolerability of Xanamem™, even at the highest dose of 35mg twice daily. These data will be used to define the optimum daily dose for Xanamem to take forward into the Phase II clinical trial.

Additionally, Actinogen is about to initiate the third and final stage of the second Phase I Xanamem™ trial, having received ethics approval in June. This final stage will examine the CNS pharmacokinetics of Xanamem™ and will involve the recruitment of four healthy volunteers. The primary endpoint is to demonstrate that Xanamem™ is efficiently delivered to the brain, its primary site of action in Alzheimer's disease. It is expected this trial will have completed by the end of August.

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All 3 stages of this Phase I trial were conducted at Linear Clinical Research, a world-class clinical trial facility that is part of the QEII Medical Centre in Perth, Western Australia.

Actinogen is also pleased to announce that dosing in the final pre-clinical toxicology study is well underway with the results expected before the end of the year.

Significantly, all these studies remain on-track (time and budget), with results to be incorporated into the research documentation supporting the all-important Phase II study of Xanamem™ in mild Alzheimer's and mild cognitive impairment patients, expected to start in the first half of 2016. The results will enable an Investigational New Drug (IND) application to the FDA for the Phase II trial in Alzheimer's patients to be run in the US. The trial is also planned to run in Australia, New Zealand and the UK.

The second half of 2015 will focus on setting up all the logistics for the Phase II trial, with the first patient expected to be recruited in the first half of 2016. Actinogen initiated the process of developing the study protocol in February this year with the establishment of the Xanamem Clinical Advisory Board. This Board has broad representation of globally recognised experts in Alzheimer's research, and includes Professor Craig Ritchie from Edinburgh University, Professor Colin Masters from Melbourne University and Professor Jeff Cummings from the Cleveland Clinic in Ohio and Nevada in the USA. The Board has met twice this year – the first in March and again in mid-June, and has made excellent progress in developing the Phase II study protocol. Actinogen expects to have final sign-off of all the key elements of the protocol by the end of July.

Simultaneously we are well down the road in selecting Research and Regulatory commercial partners to assist in gaining regulatory approval to run the study and to manage the complex logistics of managing this study across all three geographies. Additionally Actinogen has initiated manufacturing of adequate drug supplies for the study at High Force in the UK. We expect the study to commence in the first half of 2016 and to take about 2 years to complete. It will be a double blinded placebo controlled randomised study – no results will therefore be known until the trial completes. This is currently expected around the end of 2017.

(vi) Appointment of Clinical Advisors:

Actinogen has two Advisory Boards assisting with the ongoing development of Xanamem – the **Xanamem Clinical Advisory Board** and the **Xanamem Scientific Advisory Board**.

The **Xanamem Clinical Advisory Board** includes Alzheimer's specialists with particular expertise in the early diagnosis and treatment of Alzheimer's disease. They will help Actinogen Medical shape the research and drive the development of its new lead research drug, Xanamem™.

The broad geographic spread of the membership of the Xanamem™ Advisory Board will provide a true global dimension to Actinogen Medical's research strategy for Xanamem.

The exceptional quality of this Advisory Board will put Xanamem™ clinical research at the forefront of early Alzheimer's disease diagnosis and treatment. It not only speaks to the strength of the science, but it is also a real coup to have secured experts of such high global standing in Alzheimer's research to support the development of Xanamem™. This will be a huge asset to driving the future research and development of Xanamem™.

Members of this Board include:

- **Professor Craig Ritchie**
Professor Ritchie is the Professor of Psychiatry of Ageing at the University of Edinburgh. He will chair the Advisory Board. Professor Ritchie is a leading authority on clinical trials in dementia and has been senior investigator on more than 30 drug trials of both disease-modifying and symptomatic agents for the condition.

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- **Professor Colin Masters**

Professor Colin Masters is currently the Executive Director of the Mental Health Research Institute, and a Laureate Professor at the University of Melbourne. He is also the Senior Deputy Director of the Florey Institute of Neuroscience and Mental Health, and a consultant at the Royal Melbourne Hospital. He has focused his career on research in Alzheimer's disease and other neurodegenerative diseases. With over 35 years' experience, he is widely acknowledged as having had a major worldwide influence on Alzheimer's disease research and the causes of the disease.

- **Professor Jeff Cummings**

Professor Jeff Cummings is the Camille and Larry Ruvo Chair of the Neurological Institute of Cleveland Clinic and Professor of Medicine (Neurology), Cleveland Clinic Lerner College of Medicine of Case Western Reserve University. He is a world-renowned Alzheimer's researcher and leader of clinical trials and has been recognized for his research and leadership contributions in the field of Alzheimer's.

The Scientific Advisory Board assisting with the broad development of Xanamem and the numerous potential indications, other than Alzheimer's disease. These Board members include:

- **Professor Alan Boyd**

Professor Alan Boyd has 30 years' pharmaceutical industry experience with various companies including Glaxo, ICI and AstraZeneca. In 1999 he joined Ark Therapeutics Ltd where he was responsible for the development of their gene based medicines portfolio and in 2005 Alan set up Boyd Consultants. A graduate in Biochemistry and Medicine from the University of Birmingham, UK Professor Boyd is President of the Faculty of Pharmaceutical Medicine, Royal College of Physicians, UK and is an Honorary Professor in the College of Medical and Dental Sciences at the University of Birmingham Medical School.

- **Professor Brian Walker**

Brian Walker is clinical Professor of Endocrinology and Head of the University of Edinburgh/British Heart Foundation Centre for Cardiovascular Science. His prolific translational research over 20 years has concerned the role of glucocorticoids in metabolic syndrome and cardiovascular disease. He published the original description of 11 β -HSD1 as an amplifier of glucocorticoid action, identifying this enzyme as a prime therapeutic target.

(vii) Update on legacy research

Actinogen's other work during the quarter was focused on drug discovery research using a panel of over 6000 actino-bacteria with its scientific team currently conducting trials at its laboratory premises at Murdoch University's State Agricultural Biotechnology Centre (SABC) in Western Australia.

Antimicrobials project

The aim of this project was to identify novel antimicrobial agents. It was decided that this project would be discontinued. The in depth analysis of isolates using fraction collection techniques did not yield promising results.

The analysis uncovered trace amounts of known antibacterial agents or resulted in the inactivation of the compounds effects. There are currently more advanced methods of antimicrobial discovery used in other laboratories, for example the microfluidic chip developed by Slava Epstein which resulted in the discovery of teixobactin and potentially many more novel antibiotics. Without specialised equipment, methods and expertise Actinogen cannot compete with their high through-put and innovative discovery programs. Going forward Company will focus on seeking licensing partners for it's antimicrobials project.

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Cellulase Project

The aim of this project was to identify new isolates with the ability to produce cellulolytic enzymes with the ultimate goal being to develop them for use in bio-fuel applications. This project was carried out in collaboration with Leaf Resources Ltd. (ASX:LER). Research was completed over last 12 months and the results made available to the partner. While the *Actinobacteria* studied had many interesting and possibly unique qualities, scaling up their cellulolytic and lignase activities for commercial use would be extremely challenging and impractical. There are already genetically modified *E. coli* and yeasts being used for the same applications. It was decided that this project would be discontinued.

Cancer Stem Cell Project

The aim of this project was to identify isolates with anti-cancer stem cell activity. Isolates prepared by Actinogen Limited were tested by a CSC research group at Curtin University to confirm previous work. While the results showed some anti-cancer stem cell activity was present, they were ultimately inconclusive. Intensive *Actinobacteria* activity screening programs would need to be set up to identify additional candidates for the study. After the Curtin study was completed it was decided that work on this project would be discontinued. Going forward the Company's strategy will focus on seeking licensing partners that could utilize the Company's current Actinomycetes library and exclusive intellectual property.

8. FINANCIAL POSITION

The financial position of the Company for the year ended 30 June 2015 is as follows:

	Full-year ended	Full-year ended
	30/06/2015	30/06/2014
	\$	\$
Cash and cash equivalents	9,805,610	1,127,676 (a)
Net assets / Total equity	15,356,608	1,211,812
Contributed equity	26,254,891	7,245,614 (a)
Accumulated losses	(16,253,934)	(10,822,925) (b)

- (a) Cash and cash equivalents and total equity increased which was largely the result of contributed equity issued during the year. Refer to section 11 below for further details.
- (b) Accumulated losses increased due to a significant level of spending on research and development related expenditure plus a share-based payment expense was recognised based on loan shares granted to Key Management Personnel during the year.

9. FINANCIAL PERFORMANCE

The financial performance of the Company during the year ended 30 June 2015 is as follows:

	Full-year ended	Full-year ended
	30/06/2015	30/06/2014
	\$	\$
Revenue (\$)(a)	153,429	181,204
Net loss after tax (\$)	(5,431,009)	(440,222)
Loss per share (cents)(a)	(0.01)	(0.29) (b)
Dividend (\$)	-	-

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(a) Revenue includes \$140,000 comprising interest revenue plus a research and development rebate granted in November 2014. This was offset by a loss on disposal of assets totalling \$58,530 when the Company sold laboratory equipment in May 2015.

(b) Adjusted for the consolidation of share capital that occurred during the prior year ended 30 June 2014.

10. 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.

11. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Total equity increased to \$15,356,608 from \$1,211,812, an increase of \$14,144,796. The movement was largely the result of contributed equity issued, namely to progress the Company's research and development. Issue of equity is summarised below:

- \$1 million (Tranche 1) raised via the issue of 50,000,000 ordinary fully paid shares at an issue price of 2 cents per share to sophisticated and institutional investors in September 2014; and
- \$1.39 million (Tranche 2) raised via the issue of 69,500,000 ordinary fully paid shares at an issue price of 2 cents per share to Directors, sophisticated and institutional investors following shareholder approval at the AGM in November 2014, accompanying the acquisition of Corticrine Limited.
- \$10 million raised via the issue of 105,289,474 ordinary fully paid shares at an issue price of 9.5 cents per share to sophisticated and institutional investors in May 2015.
- \$829,991 raised via the issue of 8,736,746 ordinary fully paid shares at an issue price of 9.5 cents per share under a Shareholder Share Purchase Plan (SPP) in May 2015.

Refer to Note 15 for further information on movements in equity. Other than what is noted above, there were no significant changes in the state of affairs of the Company during the year other than what is noted above.

12. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of the Company in subsequent financial years.

13. OUTLOOK & BUSINESS STRATEGY

With the acquisition of Corticrine and the license rights to Xanamem (UE2343), the strategic focus of Actinogen has moved to focus on developing Xanamem for Alzheimer's disease and other potential clinical indications related to inhibition of the 11 β -HSD1 enzyme.

The necessary pre-clinical and Phase I studies required before initiating the Phase II proof-of-concept study in Alzheimer's disease and Mild Cognitive Impairment, are nearing completion, with all results available later this year, and in time to inform the design and regulatory approvals for the Phase II study, planned for initiation in the first half of 2016. Clinical Advisory Boards have been convened with appropriately experienced global experts to help design the optimum Phase II protocols, and commercial Regulatory and Research partners have been contracted to assist with the regulatory and research logistics of ensuring we are undertaking GCP and Regulatory complaint quality research in the 3 geographies we plan to run the trial (Australia, UK and USA).

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We have additionally contracted a specialist API manufacturer in the UK to make a batch of active drug for the study. All these initiatives are on track to deliver a Phase II study in AD and MCI in the first half of 2016.

To ensure Actinogen had sufficient capital to undertake this research, the capital raising in May 2015 successfully raised adequate funds to run the study and cover daily corporate expenses, through to the end of the study, currently envisioned to complete around the end of 2017.

Over the second half of calendar year 2015, Actinogen will be firming up research plans and timelines leading up the initiation of the Phase II trial, and will keep the market regularly apprised of important developments in that regard. Key information points will include regulatory and ethics approval for the study in Australia, the UK and USA, and the initiation of patient recruitment.

Concurrent to initiating the Alzheimer's Phase II study, development of some additional clinical indications for Xanamem that are evident through its underlying mechanism of action (inhibition of the 11 β -HSD1 enzyme) will be evaluated. These include a number of commercially promising CNS indications such as Parkinson disease dementia, cognitive decline in schizophrenia and depression and PTSD, as well as a number of endocrine/metabolic related indications such as diabetic foot ulceration and post myocardial infarction. Strategically, while Alzheimer's disease and MCI are the primary focus, these additional indications present substantial potential value add to the development of Xanamem in the future.

Additionally, as we progress this research program, we will ensure that Xanamem is "partner-ready" for any potential future commercial partners. The size of the unmet medical need presented by Alzheimer's disease is evident by the ongoing significant market interest in companies developing promising new compounds. We believe there will be increasing interest from potential partners or acquirers as we progress through the Phase II study and in the lead up to the release of our Phase II results.

While the current strategic focus for Actinogen is Xanamem, we will also seek collaborations with national and international partners that are active in the development of synergistic technologies for Actinogens legacy research.. The Company will look to source licensing partners that could utilise the Company's current Actinomycetes library and exclusive intellectual property.

14. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

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➤ REMUNERATION REPORT (AUDITED)

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

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

1. Introduction

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Key management personnel of Actinogen comprise the Board of Directors and the Vice President of the Company.

The performance of the Company depends upon the quality of its key management personnel. 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 remuneration arrangements detailed in this report are for the Directors of the Board and the Vice President during the financial year and are as follows:

Name	Position	Appointed	Resigned
Dr Bill Ketelbey	Managing Director / Chief Executive Officer	18/12/2014	-
Mr Martin Rogers	Executive Chairman	1/12/2014	-
Dr Jason Loveridge	Non-Executive Director	1/12/2014	-
Dr Anton Uvarov	Non-Executive Director	16/12/2013	-
Dr Brendan de Kauwe	Executive Chairman	23/09/2013	18/12/2014
Mr Daniel Parasiliti	Non-Executive Director	23/09/2013	1/12/2014
Mr Vincent Ruffles	Vice President	27/10/2014	-

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

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

	2015	2014	2013	2012	2011
Quoted price of ordinary shares at period end (cents)	7.20	1.10	1.00	3.00	3.10
Quoted price of options at period end (cents)	-	-	-	-	0.10
Loss per share (cents)	0.01	0.29	0.18	2.12	1.66

2. Remuneration Governance

Remuneration of Directors is currently set by the Board of Directors. 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. It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the full Board considers in detail all of the matters for which the Directors are responsible.

All matters of remuneration will be done in accordance with Corporations Act requirements, especially in respect of related party transactions. Refer to the Corporate Governance Statement for further information.

Actinogen Limited received 99.15% of votes in favour of its Remuneration Report for the 2014 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

3. Executive Remuneration Arrangements

(A) Remuneration principles and strategy

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice.

Executive remuneration must be:

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

The nature and amount of remuneration of Executives are 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 a high performing Executives.

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

- coherent remuneration policies and practices to attract and retain executives;
 - Executives who will create value for shareholders;
 - competitive remuneration offered benchmarked against the external market; and
 - fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.
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(B) Approach to setting remuneration

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

Fixed Remuneration 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 Executives employment with reference to the market and the individual's role and experience. It is subject to annual review considering market data and the performance of the Company and individual. The Company benchmarks the fixed component against appropriate market comparisons with the comparator group criteria being market capitalisation.

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

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

The LTI component is in the form of Employee Loan Shares. The Board feels that the shares currently on issue to these KMP provide a sufficient long term incentive to align the goals of the KMP with those of the shareholders to maximise shareholder wealth, and as such, has not set any other performance conditions for these KMP. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

(C) Details of incentive plans

Short term incentive

During the year, remuneration in the form of a Bonus Fee paid to KMP was linked to short term performance conditions being met, being the successful capital raising of \$10.8m and the successful recruitment of the participants in the Phase I trial Company. Both of these short term milestones were met during the year. Subsequently, the KMP's were entitled to the following Bonus Fee:

Director	Bonus Fee
Dr Bill Ketelbey	\$ 50,000
Mr Martin Rogers	\$ 50,000
Dr Jason Loveridge	\$ 25,000
Dr Anton Uvarov	\$ 25,000
Mr Vincent Ruffles	\$ 10,000

Long term incentive

Additionally, during the year, remuneration in the form of Employee Loan Shares was issued to the majority of KMP upon certain performance conditions being met (outlined below).

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The Loan Shares represent an option arrangement. Due to the vesting conditions attached to the loan shares, these shares will be expensed over the vesting period. The key terms of the Employee Share Plan and of each limited recourse loan provided under the Plan are as follows:

- (i) the loan may only be applied towards the subscription price for the Loan Shares;
- (ii) the loan will be interest free, provided that if the loan is not repaid by the repayment date set by the Board, the loan will incur interest at 9% per annum after that date (which will accrue on a daily basis and compound annually on the then outstanding loan balance);
- (iii) by signing and returning a limited recourse loan application, the participants of the Plan (each a Participant) acknowledges and agrees that the Loan Shares will not be transferred, encumbered, otherwise disposed of, or have a security interest granted over it, by or on behalf of the Participant until the loan is repaid in full to the Company;
- (iv) the Company has security over the Loan Shares as security for repayment of the loan;
- (v) the loan becomes repayable on the earliest of:
 - a) five years from the date on which the loan is advanced to the Participant;
 - b) one month after the Participant resigns or ceases to be employed by the Company other than (i) where the Participant is removed from office by shareholders of the Company, or (ii) where the Company does not renew the Participant's executive employment agreement or (iii) where the Company dismisses the Participant other than for cause; and
 - c) (by the legal personal representative of the Participant) six months after the Participant ceases to be an employee of the Company due to their death.

Repayment Date

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

Rights attaching to Loan Shares

- (viii) The Loan Shares will rank equally with all other fully paid ordinary shares on issue in the capital of the Company. Holders of Loan Shares issued under the Plan will be entitled to exercise all voting rights attaching to the Shares in accordance with the Company's constitution. In addition, holders of Loan Shares issued under the Plan will be entitled to participate in dividends declared and paid by the Company in accordance with the Company's constitution.

Vesting conditions

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

Sale of Loan Shares

- (x) The Loan Shares may only be sold by a Participant where the Participant has been granted a limited recourse loan and the loan has been repaid in full (otherwise any dealing by the Participant in the Loan Shares is prohibited without the prior written consent of the Company).

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The vesting conditions are summarised in the table below:

Recipient	Class of Loan Share	Quantity	Issue Price	Vesting Condition	Vesting Completed	Share-based Payment Expense @ 30/6/2015
Jason Lov eridge	Class A	3,000,000	\$ 0.02	Upon successful completion of the phase 1b multiple ascending dose (MAD) study.	-	\$ 77,059
Jason Lov eridge	Class B	3,000,000	\$ 0.02	Upon funding of the phase 2a proof of concept study.	(c)	\$ 59,311
Martin Rogers	Class C	7,500,000	\$ 0.02	Upon Shares trading on the ASX above \$0.04 for ten consecutive trading days.	(a)	\$ 282,120
Martin Rogers	Class D	7,500,000	\$ 0.02	Upon Shares trading on the ASX above \$0.06 for ten consecutive trading days.	(b)	\$ 282,128
Martin Rogers	Class E	5,000,000	\$ 0.02	Upon recruitment of the phase 1b multiple ascending dose study.	-	\$ 162,202
Martin Rogers	Class F	5,000,000	\$ 0.02	Upon recruitment of the phase 2a proof of concept study.	-	\$ 46,208
Vincent Ruffles	Class G	2,000,000	\$ 0.04	3 years from commencement of employment.	-	\$ 16,862
Bill Ketelbey	Class H	6,000,000	\$ 0.04	3 years from commencement of employment.	-	\$ 40,926
Bill Ketelbey	Class I	3,000,000	\$ 0.04	Upon Share trading on the ASX at 150% of the share price on the date of commencement of employment for 10 consecutive trading days.	-	\$ 109,440
Bill Ketelbey	Class J	3,000,000	\$ 0.04	Upon recruitment of Phase II Xanamen Study	-	\$ 23,764
<u>45,000,000</u>						<u>\$ 1,100,020</u>

During the year the following Employee Share Plan shares vested:

- a) On 16 December 2014, the vesting condition on the 7,500,000 Class C Employee Share Plan shares issued to Mr Martin Rogers were met.
- b) On 24 February 2015, the vesting condition on the 7,500,000 Class D Employee Share Plan shares issued to Mr Martin Rogers were met.
- c) On 21 May 2015, the vesting condition on the 3,000,000 Class B Employee Share Plan shares issued to Dr Jason Lov eridge were met.

4. KMP Remuneration Outcomes

During the financial year ended 30 June 2015 the KMP's received the following benefits:

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

ACTINOGEN LIMITED

DIRECTORS' REPORT

During the financial year ended 30 June 2014 the KMP's only received Short-term benefits in the form of cash fees. Refer to **Table 1** and **Table 2** below. All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

Table 1 - Remuneration of Key Management Personnel for the year ended 30 June 2015:

As at 30/6/2015	Short Term Benefits		Post-employment	Share Based Payments		Total	Value of Share Based payments as a % of total remuneration
	Cash salary and fees	Cash bonus	Super-annuation	Options	Shares		
	\$	\$	\$	\$	\$	\$	%
<u>Directors</u>							
Bill Ketelbey	154,891	50,000	11,638	174,130	-	390,659	45%
Martin Rogers	66,670	50,000	11,084	772,658	200,000	1,100,412	88%
Jason Lov eridge	23,334	25,000	-	136,370	100,000	284,704	83%
Anton Uv arov	38,334	25,000	-	-	40,000	103,334	39%
Brendan de Kauwe	30,000	-	-	-	50,000	80,000	63%
Daniel Parasiliti	15,000	-	-	-	-	15,000	0%
<u>Executives</u>							
Vincent Ruffles	102,255	10,000	10,664	16,862	-	139,781	12%
Total	430,484	160,000	33,385	1,100,020	390,000	2,113,890	

Table 2 - Remuneration of Key Management Personnel for the year ended 30 June 2014:

As at 30/6/2014	Short Term Benefits		Post-employment	Share-based Payments		Total	Value of Share-based payments as a % of total remuneration
	Cash salary and fees	Cash bonus	Super-annuation	Options	Shares		
	\$	\$	\$	\$	\$	\$	%
<u>Directors</u>							
Brendan de Kauwe	39,400	-	-	-	-	39,400	-
Daniel Parasiliti	23,274	-	-	-	-	23,274	-
Anton Uv arov	21,097	-	-	-	-	21,097	-
David Alan Zohar	-	-	-	-	-	-	-
Zhukov Perv an	-	-	-	-	-	-	-
David Keast	-	-	-	-	-	-	-
Alan Morton	-	-	-	-	-	-	-
Christopher England	-	-	-	-	-	-	-
Total	83,771	-	-	-	-	83,771	-

5. Executive Contracts

During the financial year, the Company employed the below mentioned Executives and remunerated them as follows:

ACTINOGEN LIMITED

DIRECTORS' REPORT

- Managing Director: Dr Bill Ketelbey received wages totaling \$204,891 plus superannuation of \$11,638;
- Executive Chairman: Mr Martin Rogers received fees totaling \$116,670 (plus GST) and superannuation totaling \$11,084;
- Vice President: Mr Vincent Ruffles received wages totaling \$112,255 plus superannuation of \$10,664; and
- Executive Chairman: Dr Brendan de Kauwe received fees totaling \$30,000 (plus GST). He ceased employment with the Company on 18 December 2014.
- This is also detailed in Table 1 of Section F: Details of Remuneration.

Their contractual arrangements are outlined below.

- Dr Bill Ketelbey – Managing Director
 - Employment date: employment commenced on 18 December 2014.
 - Salary (including superannuation prescribed by the relevant law) totaling \$268,783 per annum.
 - Term: the appointment of the employee will continue for a period of three years from the date of commencement of employment unless terminated earlier.
 - Termination: the Company or the individual may terminate the contract by giving three 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.
 - Mr Martin Rogers – Executive Chairman
 - Employment date: employment commenced on 1 December 2014.
 - Director's Fee: \$80,000 per annum (plus GST) plus the superannuation guarantee amount prescribed by the relevant law. Subject to annual review.
 - Term: Mr Rogers was elected as a Director at the Company's 2014 Annual General Meeting, with effect from 1/12/2014 following the acquisition of Corticrine Limited; and thereafter is subject to retirement by rotation under the Company's Constitution.
 - Termination: the Company may, at any time, terminate with effect by giving one month's written notice. Mr Rogers can terminate his employment by giving not less than 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.
 - Mr Vincent Ruffles – Vice President
 - Employment date: employment commenced on 27 October 2014.
 - Salary (including superannuation prescribed by the relevant law) totaling \$165,000 per annum.
 - Term: the appointment of the employee will continue indefinitely from the date of commencement of employment unless terminated earlier.
 - Termination: the Company or the individual may terminate the contract by giving three 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.
 - Dr Brendan de Kauwe – Executive Chairman (resigned 18 December 2014)
 - Employment date: employment as Executive Chairman commenced on 23 April 2014.
 - Director's Fee: \$60,000 per month (plus GST).
 - Term: employment ceased on 18 December 2014.
-

ACTINOGEN LIMITED

DIRECTORS' REPORT

6. Non-Executive Director Fee Arrangements

Non-Executive Directors are remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity 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 a general meeting held on 6 August 2007, is \$150,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders. Total fees paid to Non-Executive Directors during the year were \$126,668.

During the financial year the Company remunerated the below mentioned Non-Executives as follows:

- Non-Executive Director: Dr Jason Loveridge received fees totaling \$48,334 (GST not applicable).
- Non-Executive Director: Dr Anton Uvarov received fees totaling \$63,334 (plus GST).
- Non-Executive Director: Mr Daniel Parisiliti received fees totaling \$15,000 (plus GST) (resigned 1 December 2014).
- This is detailed in **Table 1** of *Section F: Details of Remuneration*.

Their contractual arrangements are outlined below:

- Dr Jason Loveridge – Non-Executive Director
 - Contract date: commenced on 1 December 2014.
 - Director's Fee: \$3,000 per month (excluding GST) up until 30 April 2014, this then increased to \$4,167 per month (excluding GST) from 1 May 2015. Subject to annual review.
 - Term: Dr Loveridge was elected as a Director at the Company's 2014 Annual General Meeting, with effect from 1 December 2014 following the acquisition of Corticrine Limited; and thereafter is subject to retirement by rotation under the Company's Constitution.
 - Termination: The other members of the Board may request that the officer resign with effect immediately in the event that the Board deems the individual's performance is unsatisfactory, or the Company's shareholders may resolve to seek the officer's removal by member's resolution. The individual may terminate the contract immediately.
- Dr Anton Uvarov – Non-Executive Director
 - Contract date: commenced on 16 December 2013.
 - Director's Fee: \$3,000 per month (plus GST) up until 30 April 2014, this then increased to \$4,167 per month (plus GST) from 1 May 2015. Subject to annual review.
 - Term: Dr Uvarov's appointment was valid until the date of the Company's 2014 Annual General Meeting whereby he was re-elected and thereafter is subject to retirement by rotation under the Company's Constitution.
 - Termination: The Company or the individual may terminate the contract immediately.

ACTINOGEN LIMITED

DIRECTORS' REPORT

- Mr Daniel Parasiliti – Non-Executive Director
 - Contract date: commenced on 23 September 2013,
 - Director's Fee: \$3,000 per month (plus GST) subject to annual review.
 - Term: Mr Parasiliti was re-elected as a Director at the 2013 annual general meeting of the Company, and was subject to retirement by rotation under the Company's Constitution.
 - Termination: ceased on 18 December 2014.

7. Additional disclosures relating to options and shares

➤ Options

The table below discloses the number of employee loan share (in substance options) granted, vested or lapsed during the year. There were no share options issued as compensation to KMP during the financial year ended 30 June 2014.

a) Option holding of KMP

						Vested at 30/6/2015	
	Class	Balance at beginning of year 1/7/2014	Granted as remuneration	Options exercised	Balance at end of year 30/6/2015	Vested	Not vested
Directors							
Jason Lov eridge	A	-	3,000,000	-	3,000,000	-	3,000,000
Jason Lov eridge	B	-	3,000,000	-	3,000,000	3,000,000	-
		-	6,000,000	-	6,000,000	3,000,000	3,000,000
Martin Rogers	C	-	7,500,000	-	7,500,000	7,500,000	-
Martin Rogers	D	-	7,500,000	-	7,500,000	7,500,000	-
Martin Rogers	E	-	5,000,000	-	5,000,000	-	5,000,000
Martin Rogers	F	-	5,000,000	-	5,000,000	-	5,000,000
		-	25,000,000	-	25,000,000	15,000,000	10,000,000
Bill Ketelbey	H	-	6,000,000	-	6,000,000	-	6,000,000
Bill Ketelbey	I	-	3,000,000	-	3,000,000	-	3,000,000
Bill Ketelbey	J	-	3,000,000	-	3,000,000	-	3,000,000
		-	12,000,000	-	12,000,000	-	12,000,000
Other KMP							
Vincent Ruffles	G	-	2,000,000	-	2,000,000	-	2,000,000
		-	2,000,000	-	2,000,000	-	2,000,000
Total		-	45,000,000	-	45,000,000	18,000,000	27,000,000

At the date of this report, the unissued ordinary shares of Actinogen under option carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

ACTINOGEN LIMITED

DIRECTORS' REPORT

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

	Class	Value of options granted during the year (\$)	Value of options vested during the year (\$)	Value of options lapsed during the year (\$)	Share-based payment recognised during the year (\$)	Remuneration consisting of option for the year (%)	Vesting Condition
Executive Directors							
Jason Lov eridge	A	\$ 112,848	-	-	\$ 77,059	27%	Upon successful completion of the phase 1b multiple ascending dose (MAD) study.
Jason Lov eridge	B	\$ 112,848	\$ 112,848	-	\$ 59,311	21%	Upon funding of the phase 2a proof of concept study.
Martin Rogers	C	\$ 282,120	\$ 282,120	-	\$ 282,120	26%	Upon Shares trading on the ASX above \$0.04 for ten consecutive trading days.
Martin Rogers	D	\$ 282,128	\$ 282,128	-	\$ 282,128	26%	Upon Shares trading on the ASX above \$0.06 for ten consecutive trading days.
Martin Rogers	E	\$ 188,085	-	-	\$ 162,202	15%	Upon recruitment of the phase 1b multiple ascending dose study.
Martin Rogers	F	\$ 188,085	-	-	\$ 46,208	4%	Upon recruitment of the phase 2a proof of concept study.
Bill Ketelbey	H	\$ 218,886	-	-	\$ 40,926	10%	3 years from commencement of employment.
Bill Ketelbey	I	\$ 109,440	-	-	\$ 109,440	28%	Upon Share trading on the ASX at 150% of the share price on the date of commencement of employment for 10 consecutive trading days.
Bill Ketelbey	J	\$ 109,443	-	-	\$ 23,764	6%	Upon recruitment of Phase II Xanamen Study
		<u>\$ 1,603,883</u>	<u>\$ 677,096</u>		<u>\$ 1,083,158</u>		
Senior Executives							
Vincent Ruffles	G	\$ 75,234	-	-	\$ 16,862	12%	3 years from commencement of employment.
		<u>\$ 1,679,117</u>	<u>\$ 677,096</u>	<u>\$ -</u>	<u>\$ 1,100,020</u>		

ACTINOGEN LIMITED

DIRECTORS' REPORT

c) Options awarded, vested and lapsed during the year

	Class	# Options	Financial year	Grant Date	Vesting conditions	Exercise price (\$)	Fair value per option at grant date (\$)	Expiry date	Number vested during the year	Number lapsed during the year
Executive Directors										
Jason Lov eridge	A	3,000,000	2015	19/11/2014	Upon successful completion of the phase 1b multiple ascending dose (MAD) study.	\$ 0.02	\$ 0.0376	19/11/2019	-	-
Jason Lov eridge	B	3,000,000	2015	19/11/2014	Upon funding of the phase 2a proof of concept study.	\$ 0.02	\$ 0.0376	19/11/2019	3,000,000	-
Martin Rogers	C	7,500,000	2015	19/11/2014	Upon Shares trading on the ASX above \$0.04 for ten consecutive trading days.	\$ 0.02	\$ 0.0376	19/11/2019	7,500,000	-
Martin Rogers	D	7,500,000	2015	19/11/2014	Upon Shares trading on the ASX above \$0.06 for ten consecutive trading days.	\$ 0.02	\$ 0.0376	19/11/2019	7,500,000	-
Martin Rogers	E	5,000,000	2015	19/11/2014	Upon recruitment of the phase 1b multiple ascending dose study.	\$ 0.02	\$ 0.0376	19/11/2019	-	-
Martin Rogers	F	5,000,000	2015	19/11/2014	Upon recruitment of the phase 2a proof of concept study.	\$ 0.02	\$ 0.0376	19/11/2019	-	-
Bill Ketelbey	H	6,000,000	2015	15/12/2014	3 years from commencement of employment.	\$ 0.04	\$ 0.0365	15/12/2019	-	-
Bill Ketelbey	I	3,000,000	2015	15/12/2014	Upon Share trading on the ASX at 150% of the share price on the date of commencement of employment for 10 consecutive trading days.	\$ 0.04	\$ 0.0365	15/12/2019	-	-
Bill Ketelbey	J	3,000,000	2015	15/12/2014	Upon recruitment of Phase II Xanamen Study	\$ 0.04	\$ 0.0365	15/12/2019	-	-
Total Directors		43,000,000							18,000,000	-
Senior Executives										
Vincent Ruffles	G	2,000,000	2015	19/11/2014	3 years from commencement of employment.	\$ 0.02	\$ 0.0376	19/11/2019	-	-
Total Senior Executives		2,000,000							-	-
Total		45,000,000							18,000,000	-

ACTINOGEN LIMITED

DIRECTORS' REPORT

➤ Shares

At 30 June 2015 the relevant interest of each KMP in ordinary fully paid shares of the Company were:

	Balance at beginning of year 1/7/2014	Granted as remuneration (a)	On exercise of options	Net change other (b)	Balance at end of year 30/6/2015
Directors					
Bill Ketelbey	-	-	-	342,894	342,894
Martin Rogers	-	10,000,000	-	1,407,894	11,407,894
Jason Lov eridge (c)	-	5,000,000	-	16,875,078	21,875,078
Anton Uv arov	2,029,350	2,000,000	-	157,894	4,187,244
Brendan de Kauwe	2,000,000	2,500,000	-	(4,500,000)	-
Daniel Parasiliti	1,000,000	-	-	(1,000,000)	-
	5,029,350	19,500,000	-	13,283,760	37,813,110
Other KMP					
Vincent Ruffles	-	-	-	-	-
	-	-	-	-	-
Total	5,029,350	19,500,000	-	13,283,760	37,813,110

(a) Directors were issued as remuneration Director Placement Shares during the year.

(b) Movement relates to the following: initial directors interest for Directors appointed during the year, shares taken up under the Private Placement conducted in December 2014 and the Share Purchase Plan conducted in May 2015; and the final directors interest of those Directors who have resigned during the year.

(c) 14,717,184 subject to voluntary escrow until 30 November 2015.

There were no shares issued as compensation to KMP during the financial year ended 30 June 2014. At 30 June 2014 the relevant interest of each KMP in ordinary fully paid shares of the Company were:

	Balance at beginning of year 1/7/2013	Granted as remuneration	On exercise of options	Net change other	Balance at end of year 30/6/2014
Directors					
Brendan de Kauwe	-	-	-	2,000,000.00	2,000,000
Daniel Parasiliti	-	-	-	1,000,000.00	1,000,000
Anton Uv arov	-	-	-	2,029,350.00	2,029,350
David Zohar	17,941,831	-	-	(17,941,831)	-
Zhukov Perv an	17,133,334	-	-	(17,133,334)	-
David Keast	13,733,333	-	-	(13,733,333)	-
Alan Morton	666,666	-	-	(666,666)	-
Christopher England	500,000	-	-	(500,000)	-
Total	49,975,164	-	-	(44,945,814)	5,029,350

(a) Movement relates to the directors interest for Directors appointed during the year, and the final directors interest of those Directors who have resigned during the year.

ACTINOGEN LIMITED

DIRECTORS' REPORT

8. Loans Made to Key Management Personnel

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

9. Other Transactions with Key Management Personnel

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

End of Audited Remuneration Report

15. 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.

16. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Actinogen Limited paid a premium to insure the directors and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage from 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.

17. 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.

18. ENVIRONMENTAL REGULATIONS

The Company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

For the year ended 30 June 2015 the Company was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The Company will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

19. NON-AUDIT SERVICES

No fees were paid for non-audit services to the external auditors and their associated entities during the year ended 30 June 2015 and 30 June 2014.

ACTINOGEN LIMITED DIRECTORS' REPORT

20. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2015 forms a part of the Directors' Report and can be found on page 36.

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



Dr Bill Ketelbey
Managing Director
Perth, Western Australia
Date: Friday, 28 August 2015

Auditor's Independence Declaration to the Directors of Actinogen Limited

In relation to our audit of the financial report of Actinogen Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



T G Dachs
Partner
28 August 2015

ACTINOGEN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

	Note	Full-year ended 30/06/2015 \$	Full-year ended 30/06/2014 \$
Revenue from continuing operations	6	49,927	34,199
Other income	6	103,502	147,005
<i>Total revenue & other income</i>		153,429	181,204
Business development		(507,609)	(171,621)
Corporate administration expenses		(600,583)	(194,285)
Share-based payments	22	(1,490,020)	-
Research & development expenses	6	(2,758,346)	(218,681)
Finance costs		(4,953)	(722)
Amortisation expense		(208,520)	-
Impairment expenses		(1,501)	(22,522)
Depreciation expenses		(12,906)	(13,595)
<i>Total expenses</i>		(5,584,438)	(621,426)
Loss Before Income Tax	7	(5,431,009)	(440,222)
Income tax benefit/(expense)		-	-
Loss for the year		(5,431,009)	(440,222)
Other comprehensive income for the Period net of tax		-	-
Total comprehensive loss for the Period		(5,431,009)	(440,222)
Earnings per share for (loss) attributable to the ordinary equity holders of the company			
Basic loss per share (cents)	17	(0.01)	(0.29)
Dilutive loss per share (cents)	17	(0.01)	(0.29)

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

ACTINOGEN LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	Full-year ended 30/06/2015 \$	Full-year ended 30/06/2014 \$
CURRENT ASSETS			
Cash and cash equivalents	8	9,805,610	1,127,676
Trade and other receivables	9	215,460	25,926
TOTAL CURRENT ASSETS		10,021,070	1,153,602
NON-CURRENT ASSETS			
Available for sale financial assets	10	-	1,500
Property, plant and equipment	11	6,755	106,637
Intangible assets	12	5,551,423	-
TOTAL NON-CURRENT ASSETS		5,558,178	108,137
TOTAL ASSETS		15,579,248	1,261,739
CURRENT LIABILITIES			
Trade and other payables	14	222,640	49,927
TOTAL LIABILITIES		222,640	49,927
NET ASSETS		15,356,608	1,211,812
EQUITY			
Contributed equity	15	26,254,891	7,245,614
Reserve shares	15	(1,140,000)	-
Reserves	16	6,495,651	4,789,123
Accumulated losses		(16,253,934)	(10,822,925)
TOTAL EQUITY		15,356,608	1,211,812

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

ACTINOGEN LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	Note	Full-year ended 30/06/2015 \$	Full-year ended 30/06/2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	20,000
Interest received		50,057	14,120
Payments to suppliers and employees		(1,065,090)	(415,404)
Payments for research and development		(2,808,258)	(203,507)
Research and development tax offset		103,502	146,954
Net cash outflow from operating activities	8	(3,719,789)	(437,837)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8,120)	(4,684)
Net proceeds from sale of property, plant and equipment		36,566	-
Net cash inflow/(outflow) from investing activities		28,446	(4,684)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		13,222,500	1,595,500
Transaction costs associated with issue of shares		(853,223)	(137,819)
Net cash inflow from financing activities		12,369,277	1,457,681
Net increase in cash and cash equivalents		8,677,934	1,015,160
Cash and cash equivalents at beginning of the year		1,127,676	112,516
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	8	9,805,610	1,127,676

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

ACTINOGEN LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

	Contributed Equity	Accumulated Losses	Option Reserve	Reserve Shares	Total
Full-year ended 30/6/2015	\$	\$	\$	\$	\$
Balance as at 1/7/2014	7,245,614	(10,822,925)	4,789,123	-	1,211,811
Loss for the year	-	(5,431,009)	-	-	(5,431,009)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	(5,431,009)	-	-	(5,431,009)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the year	19,862,500	-	-	(1,140,000)	18,722,500
Share-based payments	-	-	1,706,528	-	1,706,528
Capital raising costs	(853,223)	-	-	-	(853,223)
Balance as at 30/6/2015	26,254,891	(16,253,934)	6,495,651	(1,140,000)	15,356,608

	Contributed Equity	Accumulated Losses	Option Reserve	Reserve Shares	Total
Full-year ended 30/6/2014	\$	\$	\$	\$	\$
Balance as at 1/7/2013	5,788,433	(10,382,704)	4,788,623	-	194,352
Loss for the year	-	(440,222)	-	-	(440,222)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	(440,222)	-	-	(440,222)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the year	1,565,000	-	-	-	1,565,000
Capital raising costs	(137,819)	-	-	-	(137,819)
Options issued during the year	-	-	500	-	500
Shares issued upon exercise of options	30,000	-	-	-	30,000
Balance as at 30/6/2014	7,245,614	(10,822,925)	4,789,123	-	1,211,811

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

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. CORPORATE INFORMATION

The consolidated financial statements of Actinogen Limited (the Company) and its subsidiary (Corticrine Limited) (collectively, the Group), for the year ended 30 June 2015 were authorised in accordance with a resolution of Directors on 28 August 2015.

Actinogen Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The nature of operations and principal activities of the Company are described in the Directors' Report. Information on other related party relationships is provided in Note 21.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements of the Company are for the financial year ended 30 June 2015.

(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.

(b) 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).

(c) Historical cost convention

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

(d) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(e) Foreign currency translation

The Group's consolidated financial statements are presented in Australian dollars, which is also the Parent's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(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:

• Plant and Equipment	7.5% to 37.5%
• Office and Equipment	40%
• Computer Equipment	25% to 66.67%
• General Pool Assets >\$1,000	37%

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

An asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each balance date.

(g) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial 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 profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group 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. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Patents

The Group made upfront payments to purchase patents. The patents 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 are amortised on a straight-line basis over the period of the patent.

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(i) Income tax

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

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction affects either accounting or taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

The Company's entitlement to the Research and Development tax rebate is recognised as a tax benefit upon receipt from the Australian Taxation Office.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(k) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the

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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 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.

(l) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high 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 and bank overdrafts.

(m) Revenue recognition

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

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

(n) Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

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(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 Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item 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 carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Payables to related parties are carried at the principal amount. 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

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

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(f) Investments and other financial assets

Classification

The Company classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets initially recognised at fair value with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Subsequent measurement

Available for sale financial assets are subsequently measured at fair value. Changes in the fair value of available for sale financial assets are recognised in the consolidated statement of comprehensive income.

Loans and receivables are carried at amortised cost using the effective interest rate method.

Details of how the fair value of financial instruments is determined and disclosed in Note 3.

Impairment

The Company assesses at each balance date whether there is objective evidence that a financial asset or Company of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

If there is evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

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(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) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amount over the expected useful life of the related asset.

(w) New accounting standards and interpretations adopted

The following standards and interpretations have been adopted by the Company:

Reference	Title	Application date of standard*	Application date for Group*
AASB 2012-3	<p><i>Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</i></p> <p>AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments: Presentation</i> to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.</p>	1 January 2014	1 July 2014
AASB 2013-3	<p><i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i></p> <p>AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i>. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.</p>	1 January 2014	1 July 2014
AASB 1031	<p><i>Materiality</i></p> <p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework</i> (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p> <p>AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.</p>	1 January 2014	1 July 2014
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>The Standard contains three main parts and makes amendments to a number Standards and Interpretations.</p> <p>Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.</p> <p>Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.</p>	^^	^^

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Reference	Title	Application date of standard*	Application date for Group*
	Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i> .		
AASB 2014-1 Part A -Annual Improvements 2010-2012 Cycle	<p>AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) <i>Annual Improvements to IFRSs 2010-2012 Cycle</i> and <i>Annual Improvements to IFRSs 2011-2013 Cycle</i>.</p> <p>Annual Improvements to IFRSs 2010-2012 Cycle addresses the following items:</p> <ul style="list-style-type: none"> ▶ AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ▶ AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ▶ AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ▶ AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. <p>AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.</p>	1 July 2014	1 July 2014
AASB 2014-1 Part A -Annual Improvements 2011-2013 Cycle	<p>Annual Improvements to IFRSs 2011-2013 Cycle addresses the following items:</p> <ul style="list-style-type: none"> ▶ AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. <p>AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.</p>	1 July 2014	1 July 2014

** Only applicable to not-for-profit/public sector entities.

The company has not yet determined the impact of the above new and amended accounting standards

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(x) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Company. These new standards and interpretations are set out below.

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 31 March 2015.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <ol style="list-style-type: none"> a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss 	AASB 9	<i>Financial Instruments</i>

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Reference	Title	Summary	Application date of standard*	Application date for Group*
		<p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p>		
AASB 15	Revenue from Contracts with Customers	<p>In May 2014, the IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i>, which replaces IAS 11 <i>Construction Contracts</i>, IAS 18 <i>Revenue</i> and related Interpretations (IFRIC 13 <i>Customer Loyalty Programmes</i>, IFRIC 15 <i>Agreements for the Construction of Real Estate</i>, IFRIC 18 <i>Transfers of Assets from Customers</i> and SIC-31 <i>Revenue—Barter Transactions Involving Advertising Services</i>).</p> <p>The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>(a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>Early application of this standard is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p>	1 January 2018	1 July 2018
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	<p>The subjects of the principal amendments to the Standards are set out below:</p> <p>AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>:</p> <ul style="list-style-type: none"> Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. <p>AASB 7 <i>Financial Instruments: Disclosures</i>:</p> <ul style="list-style-type: none"> Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional 	1 January 2016	1 July 2016

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Reference	Title	Summary	Application date of standard*	Application date for Group*
		<p>disclosure required by the amendments to AASB 7 <i>Disclosure—Offsetting Financial Assets and Financial Liabilities</i> is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 <i>Interim Financial Reporting</i> when its inclusion would be required by the requirements of AASB 134.</p> <p>AASB 119 Employee Benefits:</p> <ul style="list-style-type: none"> Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. <p>AASB 134 Interim Financial Reporting:</p> <ul style="list-style-type: none"> Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information. 		
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015

* Designates the beginning of the applicable annual reporting period unless otherwise stated.

^^ The application dates of AASB 2013-9 are as follows:

Part C - reporting periods beginning on or after 1 January 2015 Application date for the Group: period beginning 1 July 2015

There are a number of other standards issued but not yet effective which will not impact the Company.

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3. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk in these areas is not significant enough to warrant a formalised specific risk management program.

Risk management is carried out by the Board of Directors in their day to day function as the overseers of the business. Set out below is an overview of the financial instruments held by the Company as at 30 June 2015:

	Cash and cash equivalents	Loan and receivables	Available- for-sale	Fair value profit or loss	Fair value other comprehensive income
As at 30/6/2015	\$	\$	\$	\$	\$
Financial assets:					
Cash & cash equivalents	9,805,610	-	-	-	-
Trade and other receivables	-	215,460	-	-	-
Total current	9,805,610	215,460	-	-	-
Total assets	9,805,610	215,460	-	-	-
Financial liabilities:					
Trade and other payables	-	222,640	-	-	-
Total current	-	222,640	-	-	-
Total liabilities	-	222,640	-	-	-
Net exposure	9,805,610	(7,180)	-	-	-
	Cash and cash equivalents	Loan and receivables	Available- for-sale	Fair value profit or loss	Fair value other comprehensive income
As at 30/6/2014	\$	\$	\$	\$	\$
Financial assets:					
Equity instruments	-	-	1,500	-	-
Total non-current	-	-	1,500	-	-
Cash & cash equivalents	1,127,676	-	-	-	-
Trade and other receivables	-	25,926	-	-	-
Total current	1,127,676	25,926	-	-	-
Total assets	1,127,676	25,926	1,500	-	-
Financial liabilities:					
Trade and other payables	-	49,927	-	-	-
Total current	-	49,927	-	-	-
Total liabilities	-	49,927	-	-	-
Net exposure	1,127,676	(24,001)	1,500	-	-

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(a) Market Risk

(i) Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

During the financial year, the Company acquired Corticine Limited, a company located in the United Kingdom. The subsidiary's cash and cash equivalents are denominated in Great British Pounds.

Due to the immaterial amount of cash and cash equivalents on hand as at reporting date, the Company does not consider there to be any risk and therefore has not undertaken any further analysis of exposure other than the analysis in the table above.

(ii) Price risk

Equity price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. Equity price risk is minimised through ensuring that investment activities are undertaken in accordance with the Board established mandate limits and investment strategies.

During the year the Company's main equity price risk exposure related to the Company's available for sale financial asset. This asset, an equity investment in an ASX-listed entity, was written off during the year and there is no risk exposure at reporting date.

(iii) Interest rate risk

The Company's main interest rate risk exposure relates primarily to the Company's cash at bank and funds held on deposit that are both held with variable interest rates. The Company does not rely on the generation of interest on cash and cash equivalents to provide for working capital and as result does not consider this to be material to the Company and therefore has not undertaken any further analysis of exposure other than the analysis in the table below:

	As at 30/6/2015		As at 30/6/2014	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	1.60%	9,805,610	2.36	1,127,676

(b) Credit risk

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

The carrying amount of financial assets included in the Statement of Financial Position represents the Company's maximum exposure to credit risk in relation to those assets. The Company does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Company's policy to securitise

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Company has no significant concentrations of credit risk within the Company except for cash held with National Australia Bank and various receivables with mostly recognised third parties.

(ii) Cash

The Directors believe that there is negligible credit risk with the Company's cash and cash equivalents, as funds are held at call with National Australia Bank, a reputable Australian Banking institution with a Standard and Poors' long term credit rating of AA-.

(iii) Trade and other receivables

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

(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.

Financing arrangements

The Company does not have any financing arrangements.

Maturities of financial liabilities

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

(d) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

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

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

The following tables present the Company's assets measured and recognised at fair value at 30 June 2015 and 30 June 2014.

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<u>At 30/6/2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Available-for-sale financial assets	-	-	-	-
Equity securities	-	-	-	-
Total assets	-	-	-	-
<u>At 30/6/2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Available-for-sale financial assets	-	-	-	-
Equity securities	1,500	-	-	1,500
Total assets	1,500	-	-	1,500

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

(e) Fair Values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2015. The carrying value of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature.

	Carrying amount	Fair value
	\$	\$
Financial assets:		
Trade and other receivables	215,460	215,460
Total current	215,460	215,460
Total	215,460	215,460
Financial liabilities:		
Trade and other payables	222,640	222,640
Total current	222,640	222,640
Total	222,640	222,640

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

- *Key estimates: Impairment*

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of non-financial assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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NOTES TO THE FINANCIAL STATEMENTS

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The Company follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement on determining when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

- *Key estimates: Share-based payments*

The Group 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 judgement: Consolidated entity*

On 1 December 2014, Actinogen Limited acquired 100% of the shares in Corticrine Limited, an unlisted company based in the United Kingdom, in exchange for 125,000,000 ordinary shares in Actinogen at 0.044 cents per share. The acquisition was settled following Actinogen meeting the conditions precedent of the share sale and purchase agreement entered into between Actinogen and the shareholders of Corticrine Limited. The acquisition of Corticrine Limited has been accounted for as an asset acquisition in accordance with Australian Accounting Standards.

5. SEGMENT INFORMATION

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

6. REVENUE, OTHER INCOME AND EXPENSES

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Revenue		
Revenue from continuing activities	-	20,000
Interest Income	49,927	14,199
	49,927	34,199
Other income		
Government Grants	103,502	147,005
<i>Total other income</i>	103,502	147,005
Total revenue	153,429	181,204

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	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Expenses		
General employee expenses	57,119	98,707
Depreciation	12,906	13,595
	70,025	112,302
<i>Research and development expenses</i>		
Research consultants	1,857,890	94,248
Administrative	186,873	3,030
Laboratory expenses	90,846	121,403
Employee expenses	622,737	-
	2,758,346	218,681

7. INCOME TAX

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Numerical reconciliation of income tax income to prima facie tax payable		
Operating loss before income tax	(5,431,009)	(440,222)
Tax benefit at the Australian tax rate of 30% (2015: 30%)	(1,629,303)	(132,067)
Tax effect of amounts that are not deductible / taxable in calculating taxable income:		
Provisions and accruals	-	(14,455)
Capital raising costs	-	(23,890)
Impairment expenses	-	6,757
Fines and penalties	24	1,722
Share-based payments	447,000	-
Research and development	764,338	(44,086)
Future income tax benefit not brought to account	417,941	206,019
Income tax income / (expense)	-	-
Tax income (expense) relating to items of other comprehensive income		
Available for sale financial assets	-	-

ACTINOGEN LIMITED
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	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised.		
Potential tax benefit @ 30%	1,554,949	1,214,574
	1,554,949	1,214,574

Unrecognised temporary differences

Temporary differences for which deferred tax assets have not been recognised.

- Provisions and accruals	15,000	22,987
- Capital raising costs	865,387	181,095
- Impairment	205,435	-
	1,085,822	204,082

Unrecognised deferred tax asset relating to the above temporary differences

325,747	61,225
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The tax benefit of tax losses and other temporary differences will only arise in the future where the Company derives sufficient net taxable income and is able to satisfy the carried forward tax loss recoupment rules. The Directors believe that the likelihood of the Company achieving sufficient taxable income in the future is not probable and the tax benefit of these tax losses and other temporary differences have not been recognised.

8. CASH AND CASH EQUIVALENTS

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Cash at bank and on hand	9,775,125	1,112,677
Short term deposits	30,485	15,000
Total cash and cash equivalents	9,805,610	1,127,677

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Reconciliation of net cash flows from operating activities

	Full-year ended 30/06/2015	Full-year ended 30/04/2014
	\$	\$
Loss for the year	(5,431,009)	(440,222)
Non cash items:		
Depreciation	12,906	13,595
Amortisation expense	208,520	-
Impairment expense	-	16,029
Writeoff property, plant and equipment	95,096	4,903
Writeoff available-for-sale financial asset	1,500	-
Share-based payment expense	1,490,020	-
Change in assets and liabilities		
(Increase)/decrease in trade receivables	(219,535)	(750)
Increase/(decrease) in trade creditors and other payables	122,713	(31,392)
	(3,719,789)	(437,837)

Non cash financing & investing activities

No non-cash financing and investing activities occurred during the year ended 30 June 2015.

Financing facilities available

As at 30 June 2015, the Company had no financing facilities available. For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Interest rate risk exposure

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

Credit risk exposure

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

9. TRADE AND OTHER RECEIVABLES

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Prepayments (b)	33,953	15,043
Goods and services tax receivable (c)	181,507	10,753
Accrued revenue	-	130
Total trade and other receivables	215,460	25,926

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(a) Trade and other receivables

There are no trade or other receivables.

(b) Prepayments

This amount relates to prepaid insurances.

(c) Goods and services tax receivable

This amount relates to good and services tax (GST) paid during the quarter ended 30 June 2015 that is refundable to the Company.

(d) Risk exposure

Information about the Group's exposure to credit risk is provided in Note 3.

None of the current receivables are impaired or past due but not impaired.

10. AVAILABLE FOR SALE FINANCIAL ASSETS

Fair value of investments in listed corporations is assessed as the last bid price on the Australian Securities Exchange prior to close of business on balance date. The Company held shares in Eagle Nickel Limited (ASX: ENL) and at year end decided to fully impair the asset.

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Listed investments at fair value	-	1,500
Fair value	-	1,500

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
At beginning of the year	1,500	1,500
Fair value adjustments	-	-
Impairment of available for sale financial assets	(1,500)	-
At end of the year	-	1,500

11. PROPERTY, PLANT AND EQUIPMENT

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Property, plant and equipment - at cost	10,462	205,175
Accumulated depreciation	(3,707)	(98,538)
Total property, plant and equipment	6,755	106,637

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	Plant and Equipment	Office Equipment	Computer Equipment	General Pool	Total
Balance at 1 July 2014	102,759	215	3,663	-	106,637
Acquisitions	-	-	4,332	3,789	8,121
Disposals	(93,884)	(144)	(1,069)	-	(95,097)
Depreciation	(8,875)	(71)	(3,295)	(665)	(12,906)
Balance at 30 June 2015	-	-	3,631	3,124	6,755

Movements during the year	Plant and Equipment	Office Equipment	Computer Equipment	General Pool	Total
Balance at 1 July 2013	119,692	359	400	-	120,451
Acquisitions	-	-	4,685	-	4,685
Disposals	(4,903)	-	-	-	(4,903)
Depreciation	(12,030)	(144)	(1,422)	-	(13,596)
Balance at 30 June 2014	102,759	215	3,663	-	106,637

12. INTANGIBLE ASSETS

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Intangible assets - at cost	5,756,744	16,029
Accumulated amortisation	(205,321)	(16,029)
Total intangible assets	5,551,423	-

Movements during the Period	Intellectual Property	Software
Balance at 1 July 2014	-	-
Acquisitions	5,756,744	-
Amortisation expense	(205,321)	-
Balance at 30 June 2015	5,551,423	-

Balance at 1 July 2013	-	16,029
Acquisitions	-	-
Amortisation expense	-	(16,029)
Balance at 30 June 2014	-	-

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Intellectual property totalling \$5,551,423 comprises patents and licences initially acquired through Corticrine Limited, the value of research performed to date and the progression of testing to human trials. On 8 December 2014, Actinogen 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 and the assumption by Actinogen of all of Corticrine's obligations in respect of such assignment (Assignment). Refer to Note 21: Related Party Transactions.

The intellectual property is supported by seven patent families, the most recent of which will expire in 2031. The patent useful life has been aligned to the patent term and as a result, those patents are amortised on a straight-line basis over the period of the patent.

For further information refer to Note 13 below and to the accounting policy in Note 2.

13. ACQUISITION OF CORTICRINE LIMITED

On 1 December 2014, Actinogen Limited acquired 100% of the shares in Corticrine Limited, an unlisted company based in the United Kingdom, in exchange for 125,000,000 ordinary shares in Actinogen at 0.044 cents per share. The total acquisition consideration therefore equalled \$5,500,000.

Corticrine had licensed worldwide development and commercialisation right from the University of Edinburgh to Xanamem TM (UE2343), which is in clinical development of Alzheimer's disease. Actinogen acquired Corticrine Limited to gain access to the license, so as to focus on the development of novel treatments for Alzheimer's disease and other major age related neurodegenerative disorders.

The acquisition was settled on 1 December 2014, following Actinogen meeting the conditions precedent of the share sale and purchase agreement entered into between Actinogen and the shareholders of Corticrine Limited. The acquisition of Corticrine Limited has been accounted for as an asset acquisition in accordance with Australian Accounting Standards.

Assets acquired and liabilities assumed

The carrying amounts based on relative fair values attributed to the assets and liabilities acquired as at the date of acquisition are detailed below:

	Fair Value recognised on acquisition (\$)
Net Assets acquired	
Cash	314
Trade and other receivables	7,352
Intangible asset	5,756,744
Intercompany loan receivable	(47,902)
Net assets	5,716,508

% of voting rights acquired – 100%

The consideration paid of \$5,500,000 of issued capital, being 125,000,000 ordinary shares issued at \$0.044 per share, and \$216,058 of capitalised share-based payments in relation to the facilitator options issued as part of the acquisition, refer to Note 12.

Due to the nature of the intangible asset acquired a fair value was unable to be estimated reliably at the date of acquisition due to:

- the uncertainty around its ability to produce positive cash flow profits over a period of time;
- the lack of longer terms cash flow models; and
- the general risks associated with commercialisation and development of new therapies for Alzheimer disease.

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As a result, the asset and the corresponding increase in equity has been measured indirectly by reference to the fair value of the shares granted, measured at the date the asset was acquired being 1 December 2014. Refer to Note 12 for further information on the Intangible Asset arising on acquisition.

14. TRADE AND OTHER PAYABLES

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Trade payables	192,276	8,930
Accruals and other payables	15,000	38,072
Goods and services tax payable	3,665	-
PAYG payable	11,699	2,925
Total trade and other payables	222,640	49,927

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days. Information about the Group's exposure to foreign currency risk is provided in Note 3.

15. CONTRIBUTED EQUITY

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Fully paid ordinary shares 606,158,558	28,534,891	8,672,391
Capital raising costs	(2,280,000)	(1,426,777)
Total contributed equity	26,254,891	7,245,614

(a) Share Capital

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the Company in proportion to the number and amount paid on the share held. Effective 1 July 1998 the Corporations legislation in place abolished the concepts of authorised capital and par share values. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

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

	Date	Quantity	Unit Price \$	Total \$
Balance carried forward 1 July 2013		89,264,709		5,788,433
Issue of shares - private placement	7/10/2013	13,000,000	0.005	65,000
<i>Pre-consolidated balance</i>		102,264,709		5,853,433
Consolidation of shares (1:2 basis)*	10/12/2013	(51,132,371)	-	-
<i>Post-consolidated balance</i>		51,132,338		5,853,433
Issue of shares - private placement	12/12/2013	150,000,000	0.01	1,500,000
Capital raising costs		-	-	(137,819)
Exercise of options:	10/04/2014	1,500,000	0.02	30,000
Balance at 30 June 2014		202,632,338		7,245,614
Issue of shares - Tranche 1	2/09/2014	50,000,000	0.02	1,000,000
Issue of shares - Tranche 2	1/12/2014	50,000,000	0.02	1,000,000
Issue of shares - Tranche 2 (Director Placement)	1/12/2014	19,500,000	0.02	390,000
Capital raising costs		-	-	(227,163)
Consideration shares - Acquisition of Corticrine Ltd	3/12/2014	125,000,000	0.044	5,500,000
Issue of loan shares	3/12/2014	33,000,000	0.02	660,000
Issue of loan shares	12/12/2014	12,000,000	0.04	480,000
Placement shares	6/05/2015	105,289,474	0.095	10,002,500
Share Purchase Plan	20/05/2015	8,736,746	0.095	830,000
Capital raising costs		-	-	(626,060)
Balance at 30/6/2015		606,158,558		26,254,891

(c) Reserve shares

	Date	Quantity	Unit Price \$	Total \$
Reserve shares	3/12/2014	(33,000,000)	\$ 0.02	(660,000)
Reserve shares	12/12/2014	(12,000,000)	\$ 0.04	(480,000)
Balance at 31/05/2015		(45,000,000)		(1,140,000)

During the year the Company issued 45,000,000 Loan Shares under the Employee Share Plan approved at the Annual General Meeting of shareholders on 19 November 2014. The details of these loan shares are listed below:

- 33,000,000 shares issued at \$0.02 each on 1 December 2014 of which 18,000,000 have vested; and
- 12,000,000 shares issued at \$0.04 each on 12 December 2014.

(d) Share Options

As at the date of this report, there were 63,103,177 unissued ordinary shares under option:

ACTINOGEN LIMITED

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- 9,103,177 listed options on issue post-consolidation. These options are exercisable at 40 cents each (20 cents pre-consolidation) with an expiry date of 30 September 2015;
- 48,500,000 unlisted options with an exercise price of \$0.02 and an expiry date of 30 November 2018; and
- 5,500,000 unlisted Facilitator options at \$0.02 per share exercisable on or before 30 November 2018.

(e) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

(f) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so it can provide returns to shareholders and benefits to other stakeholders. The Company considers capital to consist of cash reserves on hand and available for sale financial assets.

Consistent with the Company's objective, it manages working capital by issuing new shares, selling assets or modifying its planned research and development program as required.

During the year the Consolidated Entity successfully completed the following capital raisings.

- \$1 million (Tranche 1) raised via the issue of 50,000,000 ordinary fully paid shares at an issue price of 2 cents per share to sophisticated and institutional investors in September 2014; and
- \$1.39 million (Tranche 2) raised via the issue of 69,500,000 ordinary fully paid shares at an issue price of 2 cents per share to Directors, sophisticated and institutional investors following shareholder approval at the AGM in November 2014, accompanying the acquisition of Corticrine Limited.
- \$10 million raised via the issue of 105,289,474 ordinary fully paid shares at an issue price of 9.5 cents per share to sophisticated and institutional investors in May 2015.
- \$830,000 raised via the issue of 8,736,746 ordinary fully paid shares at an issue price of 9.5 cents per share under a Shareholder Share Purchase Plan (SPP) in May 2015.
- In connection with the acquisition of Corticrine Limited whereby Actinogen Limited acquired 100% of the shares in Corticrine Limited, in exchange for 125,000,000 ordinary shares in Actinogen at 0.044 cents per share, facilitator options were also issued as part of the process to a third party entity for their role in ensuring the consummation of the acquisition. 5,500,000 options, exercisable at \$0.02 each, were issued upon successful completion of the acquisition which occurred on 1 December 2014.

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 Australian Securities Exchange.

16. RESERVES

Reserves are made up of the options reserve and the movement in the fair value of available for sale investments reserve. The option reserve records items recognised as expenses on valuation of employee and Director share options.

Details of the movement in reserves is shown below.

ACTINOGEN LIMITED
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	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Option reserve	6,495,651	4,789,123

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Option Reserve		
Balance at the beginning of the year	4,789,123	4,788,623
Share-based payment expense	1,706,528	500
Balance at end of year	6,495,651	4,789,123

The \$1,706,528 of options issued during the year relates to \$216,508 Facilitator Options and \$390,000 Director Placement Shares that vested immediately; as well as, \$1,100,020 in share-based payment expense attributable to the loan shares issued to Key Management Personnel during the year.

17. EARNINGS PER SHARE

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Basic EPS from continuing operations attributable to the ordinary share holders of the Company (a)	(0.01)	(0.29)
Weighted number of ordinary shares used as the denominator	412,406,878	152,632,548
Net loss used in calculating EPS	(5,431,009)	(440,222)
Diluted EPS from continuing operations attributable to the ordinary share holders of the Company (a)	(0.01)	(0.29)
Weighted number of ordinary shares used as the denominator	412,406,878	152,632,548
Net loss used in calculating diluted EPS	(5,431,009)	(440,222)

There are 63,103,177 unissued ordinary shares under option excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive or 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 authorisation of these financial statements.

18. COMMITMENTS

Other than what is mentioned below, the Company has no future commitments existing as at 30 June 2015 (2014: Nil).

Rental Agreement

During the year the Company entered into a property rental lease for a term of three years commencing 1 July 2015 with no renewal option included in the agreement. There are no restrictions placed upon the Company by entering into this lease.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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The lease includes a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals payable under non-cancellable operating leases as at 30 June 2015 are as follows:

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Within one year	\$ 100,813	-
After one year but not more than five years	\$ 201,625	-
More than five years	\$ -	-
	\$ 302,438	-

19. CONTINGENCIES

The Directors are not aware of any contingent liabilities or assets as at 30 June 2015 (2014: Nil).

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel of Actinogen Limited are listed below:

Name	Position	Appointed	Resigned
Dr Bill Ketelbey	Managing Director / Chief Executive Officer	18/12/2014	-
Mr Martin Rogers	Executive Chairman	1/12/2014	-
Dr Jason Loveridge	Non-Executive Director	1/12/2014	-
Dr Anton Uvarov	Non-Executive Director	16/12/2013	-
Dr Brendan de Kauwe	Executive Chairman	23/09/2013	18/12/2014
Mr Daniel Parasiliti	Non-Executive Director	23/09/2013	1/12/2014
Mr Vincent Ruffles	Vice President	27/10/2014	-

(a) Key Management Personnel Compensation:

	30/06/2015	30/06/2014
	\$	\$
Short-term employee benefits	590,484	83,771
Post employment benefits	33,385	-
Share-based payment	1,490,020	-
	2,113,890	83,771

The detailed remuneration disclosures and relevant interested of each Key Management Personnel in fully paid ordinary shares and options of the Company are provided in the audited remuneration report on pages 22 to 34.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

21. RELATED PARTY TRANSACTIONS

(a) Transactions with Key Management Personnel

Details of transactions with Key Management Personnel are set out in Note 20.

(b) Other related party transactions

Background information:

- *Assignment of Licence Agreement to Actinogen Limited*

Whereby previously, Corticrine Limited (Corticrine) and the University Court of the University of Edinburgh (University) entered into a Licence Agreement dated 9 June 2014 (Licence Agreement), whereby the University agreed to grant Corticrine an exclusive right and licence under such patent rights and confidential know-how for the development and commercialisation of therapeutic agents for the treatment of dementia, related neurological disorders and metabolic disease.

On 8 December 2014, Actinogen 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 and the assumption by Actinogen of all of Corticrine's obligations in respect of such assignment (Assignment).

As consideration for the Assignment, Actinogen owes Corticrine £1,161,780, the equivalent of AUD \$2,373,624 as at reporting date.

- *Trade receivables and payables*

Prior to acquisition of Corticrine Limited, Actinogen paid on behalf of Corticrine any outstanding creditor amounts. The total amount paid was £21,360, the equivalent of AUD \$43,640 as at reporting date.

Terms and conditions:

The sales to and purchases from related parties were made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 30 June 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There were no other related party transactions that occurred during the year.

22. SHARE – BASED PAYMENTS

The following share based payment existed at 30 June 2015:

ACTINOGEN LIMITED
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Recipient	Class of Loan Share	Quantity	Issue Price	Value recognised during the year \$	Value to be recognised in future years \$
Loan shares					
Jason Lov eridge	Class A	3,000,000	\$ 0.02	77,059	35,789
Jason Lov eridge	Class B	3,000,000	\$ 0.02	59,311	53,537
Martin Rogers	Class C	7,500,000	\$ 0.02	282,120	-
Martin Rogers	Class D	7,500,000	\$ 0.02	282,128	-
Martin Rogers	Class E	5,000,000	\$ 0.02	162,202	25,883
Martin Rogers	Class F	5,000,000	\$ 0.02	46,208	141,877
Vincent Ruffles	Class G	2,000,000	\$ 0.04	16,862	58,372
Bill Ketelbey	Class H	6,000,000	\$ 0.04	40,926	177,960
Bill Ketelbey	Class I	3,000,000	\$ 0.04	109,440	-
Bill Ketelbey	Class J	3,000,000	\$ 0.04	23,764	85,679
		45,000,000		1,100,020	579,097
Directors Placement Shares					
Martin Rogers		10,000,000	\$ 0.02	200,000	-
Brendan de Kauwe*		2,500,000	\$ 0.02	50,000	-
Jason Lov eridge		5,000,000	\$ 0.02	100,000	-
Anton Uv arov		2,000,000	\$ 0.02	40,000	-
		19,500,000		390,000	-
Total				1,490,020	579,097

* Brendan de Kauwe resigned on 18/12/2014

Employee Plan Loan Shares

Under the Employee Share Plan (approved by shareholders on 19 November 2014), awards are made to executives and other key management personnel who have an impact on the Group's performance. The Plan awards are delivered in the form of options over shares which vest over a period of five years subject to meeting performance measures.

The fair value of share options granted have been valued using a Black Scholes methodology, taking into account the terms and conditions upon which the share options were granted.

The approximate interest rate over a five year term was used. The assumed dividend payable in the next five years was deemed to be nil. A volatility of the share price fluctuation was calculated by considering the historical movement of the share price over period of time as well factoring market conditions of its competitors to predict the distribution of relative share performance.

The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards.

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

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

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

Director Placement Shares

During the half-year, the Company issued 19,500,000 Director Placement Shares. This was subject to shareholder approval which occurred on 19 November 2014, and therefore were fair valued based on the closing price on 19 November 2014 which was 4 cents. The difference between the issue price and the share price at measurement date of 2 cents is treated as a Share based payment (as it is a discount on fair value).

23. PARENT ENTITY NOTE

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
Note	\$	\$
Current assets	10,069,494	1,153,602
Non-current assets	7,891,566	108,137
Total assets	17,961,060	1,261,739
Current liabilities	2,596,264	49,927
Total liabilities	2,596,264	49,927
Net Assets	15,364,796	1,211,812
Contributed equity	26,254,891	7,245,614
Reserve shares	(1,140,000)	-
Reserves	6,495,651	4,789,123
Accumulated losses	(16,245,746)	(10,822,925)
Total equity	15,364,796	1,211,812
Profit / (loss) for the year	(5,422,821)	(440,222)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	(5,422,821)	(440,222)

24. INFORMATION ABOUT SUBSIDIARIES

The consolidated financial statements of the Group include Corticrine Limited, an unlisted company based in the United Kingdom. Corticrine licensed worldwide development and commercialisation right from the University of Edinburgh to Xanamem TM (UE2343), which is in clinical development of Alzheimer's disease. Actinogen acquired Corticrine Limited to gain access to the license, so as to focus on the development of novel treatments for Alzheimer's disease and other major age related neurodegenerative disorders. Actinogen Limited is the ultimate holding company of the Group, which is based and listed in Australia, and holds significant influence over the Group owning 100% of the shares in Corticrine since 1 December 2014.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

25. REMUNERATION OF AUDITOR

	Full-year ended 30/06/2015	Full-year ended 30/06/2014
	\$	\$
Amounts paid or payable to Ernst & Young for:		
- An audit or review of the financial statements of the entity	21,630	21,695
	21,630	21,695

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of the entity in subsequent financial years.

ACTINOGEN LIMITED

DIRECTORS' DECLARATION

30 JUNE 2014

In the Directors opinion:

1. The financial statements and notes set out on pages 37 to 72, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date;
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosure included in the audited Remuneration Report in the Director's Report complies with Section 300A of the *Corporations Act 2001*.
4. The directors have been given the declaration by the Managing Director as required by section 295A of the *Corporations Act 2001*.
5. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

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



Dr Bill Ketelbey
Managing Director

Sydney, New South Wales
Date: Friday, 28 August 2015

Independent auditor's report to the members of Actinogen Limited

Report on the financial report

We have audited the accompanying financial report of Actinogen Limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a. the financial report of Actinogen Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the remuneration report

We have audited the Remuneration Report included in pages 22 to 34 of the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of Actinogen Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



T G Dachs
Partner
Perth
28 August 2015

ACTINOGEN LIMITED

SHAREHOLDER INFORMATION

Substantial shareholders

The substantial shareholders as at 30 September 2015 were:

Holders	Shares	Percentage of Issued Capital
EDINBURGH TECHNOLOGY FUND LIMITED	48,147,864	7.94
MR MARTIN ROGERS	36,250,000	6.01
DENLIN NOMINEES PTY LTD/OAKTONE NOMINEES PTY LTD	33,798,071	5.58
TISIA NOMINEES PTY LTD	33,617,184	5.55
JK NOMINEES PTY LTD	33,000,000	5.44

Distribution of ordinary shareholders as at 30 September 2015

Range of Holding	Holders	Shares
1-1,000	22	8,109
1,001-5,000	339	1,086,237
5,001-10,000	203	1,687,523
10,001 - 100,000	572	26,745,744
100,001 – over	369	576,630,945
	1,505	606,158,558
Shareholders with less than a marketable parcel.	456	

Voting Rights

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

Twenty Largest holders of quoted ordinary shares as at 30 September 2015

	Number of Shares	Percentage of Issued Capital
EDINBURGH TECHNOLOGY FUND LIMITED	48,147,864	7.94
MR MARTIN ROGERS	25,000,000	4.12
WEBINVEST PTY LTD <OLSB UNIT A/C>	23,423,197	3.86
DENLIN NOMINEES PTY LTD	19,080,887	3.15
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	18,900,000	3.12
MR JASON PETERSON + MRS LIASA PETERSON <J&L PETERSON S/F A/C>	18,465,788	3.05
JK NOMINEES PTY LTD <THE JK FUND A/C>	18,282,816	3.02
WARAMBI SARL	14,875,078	2.45
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	14,717,184	2.43
OAKTONE NOMINEES PTY LTD	14,717,184	2.43
JK NOMINEES PTY LTD <THE JK FUND A/C>	14,717,184	2.43
DR WILLIAM JOHN KETELBEY	12,157,894	2.01
CABLETIME PTY LTD <INGODWE A/C>	12,034,703	1.99
BANNABY INVESTMENTS PTY LTD <SUPER FUND A/C>	11,555,263	1.91
1215 CAPITAL PTY LTD	11,445,423	1.89
ZP PTY LTD <Z PERVAN SUPER FUND A/C>	9,000,000	1.48
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	7,592,728	1.25
BANNABY INVESTMENTS PTY LTD <SUPER FUND A/C>	7,500,000	1.24
ARDROY SECURITIES PTY LTD <CAMERON INVESTMENT UNIT A/C>	7,500,000	1.24
CONCEPT BIOTECH PTY LTD	7,362,435	1.21
TOTAL	316,4765,628	52.21

ACTINOGEN LIMITED

SHAREHOLDER INFORMATION

Unquoted Securities as at 30 September 2015

There were 54,000,000 unquoted options exercisable at \$0.02 each and expiring on 30 November 2018 held by seven holders, on issue.

Details of the holders of unquoted options holding more than 20%:

	Number of Options	Percentage
AH SUPER PTY LTD <THE AH SUPER FUND A/C>	18,500,000	34.26
TOTAL	18,500,000	34.26

Restricted Securities

The Company has 125,000,000 fully paid ordinary shares subject to voluntary escrow until 1 December 2015

On-Market Buy-Back

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