

ASX RELEASE

25 June 2020

**Amplia Provides Financial Report Year Ended 31 March 2020**

Amplia Therapeutics Limited (ASX: ATX) (“Amplia” or the “Company”) is today releasing its Financial Report for the Year Ended 31 March 2020.

This ASX announcement was approved and authorised for release by the Board of Amplia Therapeutics.

- End -

**For Further Information**

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Chief Executive Officer  
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**About Amplia Therapeutics Limited**

Amplia Therapeutics Limited is an Australian pharmaceutical company advancing a pipeline of Focal Adhesion Kinase (FAK) inhibitors for cancer and fibrosis. FAK is an increasingly important target in the field of cancer immunology and Amplia has a particular development focus in pancreatic and ovarian cancer. FAK also plays a significant role in a number of chronic diseases, such as idiopathic pulmonary fibrosis (IPF).

# Amplia Therapeutics Limited

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## **Amplia Therapeutics Limited ACN 165 160 841 Financial Statements for the year ended 31 March 2020**

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# Amplia Therapeutics Limited

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## DIRECTORS' REPORT

Your directors present their report on Amplia Therapeutics Limited (the “Company” or “Amplia”) and its subsidiaries (together the “Group”) for the year ended 31 March 2020.

### DIRECTORS

The names of directors in office at any time during or since the financial year are:

Warwick Tong  
Robert Peach  
Christopher Burns  
John Lambert (appointed 6 February 2020)  
Simon Wilkinson (retired 6 February 2020)  
Christian Behrenbruch (retired 6 February 2020)  
Andrew Cooke (retired 6 February 2020)

### INFORMATION ON DIRECTORS & COMPANY SECRETARY

Details of the directors’ qualifications, experience and responsibilities, for directors as at the date of this report, are detailed below:

#### **Warwick Tong (MB ChB MPP GAICD – 69 years) - Non Executive Director (appointed 4 May 2018)**

Dr. Tong is a NZ trained physician with more than 25 years’ experience in the Pharmaceutical and Biotechnology industry. After his early career in General Medical Practice Warwick has held a wide variety of roles in the pharmaceutical and biotech industry in NZ(Glaxo) Singapore (GlaxoWellcome) London (GSK), Boston (Surface Logix) and Melbourne (CTx - Cancer Therapeutics CRC). His roles have included; Medical Director, Regional Business Development Director (Asia Pacific), Commercial Strategy Director (International) and SVP Development (USA). He was CEO and Director of CTx from 2011 until April 2018 and is Director and Chair of the CTx commercialisation company, CTxONE. He was Director and Chair of BioMedVic between May 2018 and December 2019. He is a member of the Governance Board of the ARC CoE in Convergent Bio Nano Science, a member of the SAB of the Maurice Wilkins Centre in Auckland NZ, the Advisory Board of Cortex Health, Melbourne, and a member of the Industry Advisory Board, School of Biomedical Sciences, University of Melbourne and a Member of the CSIRO Manufacturing Business Advisory Committee. Warwick was educated at the University of Auckland and Victoria University, Wellington, New Zealand and is a Graduate of the Australian Institute of Company Directors. Warwick was appointed as a Non-Executive Director on the 4th of May 2018 and Chairman on 25 May 2018. Warwick is a member of the Audit Committee and also a Director of the Company’s wholly owned subsidiary Amplia Therapeutics (UK) LTD.

#### **Robert Peach (Ph.D. – 64 years) – Non-Executive Director**

Dr Peach has over 25 years of drug discovery and development experience in the Pharmaceutical and Biotechnology industry. In 2009 he co-founded Receptos Limited, becoming Chief Scientific Officer and raising US\$59M in venture capital and US\$800M in an IPO and three subsequent follow-on offerings. In August 2015 Receptos was acquired by Celgene for US\$7.8B. Robert held senior executive and scientific positions in other companies including Apoptos, Biogen Idec, IDEC and Bristol-Myers Squibb, supporting in-licensing, acquisition and venture investments. His extensive drug discovery and development experience in autoimmune and inflammatory diseases, and cancer has resulted in multiple drugs entering clinical trials and 3 registered drugs. He is currently on the Board of Directors of AdAlta Pty Limited and Avalia Immunotherapies, and is a consultant to several other biotechnology companies. Robert is the co-author of 70 scientific publications and book chapters, and 26 patents and patent applications. He was educated at the University of Canterbury and the University of Otago, New Zealand. He was appointed as a Non-Executive Director on 2 September 2015 and is Chairman of the Remuneration Committee.

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## **Christopher Burns (B.Sc. (Hons) PhD FRACI FRSC GAICD – 56 years) - Non Executive Director**

Dr Burns is an experienced drug discovery leader having worked in various roles in pharma, biotech and academia for 25 years. After completing a PhD in Organic Chemistry at the University of Melbourne Chris undertook post-doctoral studies in the USA before moving to Pfizer UK, where he worked on a variety of drug discovery projects. After 5 years he returned to Australia as a Research Fellow at the University of Sydney with the CRC for Molecular Engineering and Technology and after two years moved to the biotechnology company Ambri as Head of Chemistry. Chris then moved to the Melbourne-based biotech as Head of Medicinal Chemistry and later as Research Director. During this time he led teams in the discovery of two anti-cancer agents that have entered clinical trial, including the drug momelotinib which successfully completed Phase III studies. Most recently Chris was a Laboratory Head at the Walter and Eliza Hall Institute of Medical Research in Melbourne and currently holds executive roles with privately held biotechs MecRx, Certa Therapeutics and OccuRx. Dr Burns is the inventor on over 30 patents and a co-author on over 50 scientific publications and is a fellow of the Royal Society of Chemistry (UK) and the Royal Australian Chemical Institute. Chris was appointed as a Non-Executive Director on the 4th of May 2018 and is Chairman of the Audit Committee.

## **John Lambert (B.Sc. (Hons) PhD GAICD – 55 years) – CEO & Managing Director**

Dr Lambert was appointed CEO on 24 June 2019 and Managing Director on 6 February 2020. John has more than 18 years of drug discovery and development experience. His prior appointments included leadership roles in Drug Development, Operations Management and Drug Discovery (Biota Pharmaceuticals), primarily working on the development of respiratory antiviral drugs. As a Senior Director at Medicines Development for Global Health, John was a member of the team that received approval in 2018 from the US FDA for moxidectin as a treatment for river blindness. Prior to working in industry John was an academic researcher in organic, medicinal and biological chemistry (University of Melbourne, ANU and Harvard University). John is an experienced manager of both in early and late development of therapeutics and has built and led multidisciplinary project teams tasked with the objective of delivering clinical proof-of-concept for new products. As such, his experience spans the entire spectrum of drug development from design of development strategy through project management, manufacture, formulation, pre-clinical and clinical development and regulatory affairs.

## **Andrew Cooke (LLB – 58 years) – Company Secretary**

Mr Cooke holds a law degree from Sydney University and has extensive experience in law, corporate finance, governance and compliance. As a Non-Executive Director and Company Secretary of a number of ASX listed companies he has over 25 years of boardroom experience and has developed a practical blend of legal and commercial acumen. He has served as a consultant to listed, public and private companies in the resources, property and biotech sectors focussing on stock exchange and regulatory compliance and a wide range of corporate transactions. Andrew has been the Company Secretary since 11 October 2013. Andrew was appointed as a Non-Executive Director on the 4th of May 2018. Andrew retired as a Non-Executive Director on 6 February 2020. He remained as the Company Secretary and is also a Director of the Company's wholly owned subsidiary Amplia Therapeutics (UK) LTD.

## **PRINCIPAL ACTIVITIES**

The principal activity of the Company is development of its Focal Adhesion Kinase inhibiting ("FAKi") drug candidates AMP886 and AMP945. These assets represent highly attractive compounds for clinical development possessing excellent potency and drug-like properties, biological selectivity, bioavailability, and manufacturing scale-up potential. The Company is focused on the development of these drug candidates for potential use in multiple indications including immuno-oncology and chronic fibrosis.

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## OPERATING RESULTS

The Group total comprehensive loss after tax for the year ended 31 March 2020 was \$2,219,474 (2019: Loss after tax \$1,869,958).

## DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared during the financial year or after reporting date.

## REVIEW OF OPERATIONS

Amplia made significant progress in the development of its key pharmaceutical asset AMP945, a molecule with promising potential for the treatment of both cancer and fibrotic diseases. The Company remains committed to the development of FAKi. Operational highlights reported during the year include:

- Expansion of Amplia's scientific and clinical advisory boards (March 2019 and February 2020)
- Promising preclinical efficacy data of AMP945 in a squamous cell cancer model (July 2019)
- Completion of GMP manufacture of AMP945 to be used in Amplia's inaugural clinical trial of AMP945 (July 2019)
- Preliminary results from preclinical safety studies indicating no initial safety concerns (August 2019)
- Additional data showing AMP945's superior selectivity for FAKi, relative to competitor molecules (August 2019)
- United States FDA awarding an Orphan Drug Designation for AMP945 in the treatment of pancreatic cancer (March 2020)

Amplia completed two successful rounds of capital raising. In July 2019, the Company raised a total of \$1.2m through a Rights Issue, Private Placement and Directors and Management Placement. An additional \$0.9m was raised in January 2020 in a funding round which included Platinum International Healthcare Fund taking a substantial shareholder position in Amplia. The proceeds from these capital raisings have been used to complete preclinical testing of Amplia's lead asset, AMP945, such that the drug is on-track for first clinical testing in human subjects later this year.

In June 2019, Dr John Lambert succeeded Mr Simon Wilkinson as CEO, and in February 2020, Amplia announced several changes to the composition of its Board of Directors. These changes reflect the significant progress that has been made following the acquisition of the Amplia assets in 2018. With this transition complete, Dr Chris Behrenbruch, Mr Simon Wilkinson and Mr Andrew Cooke resigned as Directors and Dr John Lambert was appointed as Managing Director. Mr Andrew Cooke remains as Company Secretary.

Subsequent to year end, in May 2020 Amplia was awarded, by the United States FDA, its second Orphan Drug Designation for AMP945 in the treatment of idiopathic pulmonary fibrosis. The Company remains on track to initiate clinical development of AMP945 starting in the second half of 2020.

Amplia has taken further steps to broaden its intellectual property position in relation to its key asset AMP945. In March, the company lodged an international patent application covering the preferred salt form of AMP945 that will be used in the forthcoming clinical trials. If granted, the new application will provide additional patent coverage for the preferred salt of AMP945 to 2039.

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In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continued to spread throughout Australia and the World. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on Australian and international economies and, as such, the Company is unable to determine if it will have a material impact to its operations.

## FINANCIAL POSITION

The Group loss after tax for the year ended 31 March 2020 was \$2,219,474 (2019: \$1,869,958). This result included a non-cash share based compensation of \$202,835 (2019: \$244,396). Since 31 March 2019, the net assets of the Group have decreased by \$58,710 to be \$8,605,765 at 31 March 2020.

Research and development expenses increased to \$1,071,677 (2019: \$678,419). This reflected Amplia's focus on positioning lead candidate AMP945 for a Phase I clinical trial in 2020. R&D activities included manufacturing and formulation improvements and commencement of safety and tolerability studies.

General and Administration expenses were relatively unchanged i.e. \$858,886 (2019: \$860,833).

Share based compensation decreased to \$202,835 (2019: \$244,396). This is a non-cash expense and related primarily to the amortisation of previously granted options to two Non-executive Directors, the former CEO and the Operations Manager (now CEO) and the new issue of options to the new CEO on his appointment in June 2020.

At balance date the Group held Cash and cash equivalents of \$1,108,115 (2019: \$1,240,909) and had no debt.

The key intangible asset is the exclusive worldwide license to develop and commercialise the drug candidates AMP945 and AMP886. This is being carried at the deemed share consideration paid on acquisition i.e. \$7,937,932. In April 2020 the Company commissioned an update of the former valuation of this intangible asset. This updated valuation exceeded the deemed total acquisition value of \$7,937,932. Based on this updated valuation, the Group believes that the carrying value for these assets at the deemed acquisition value remains appropriate.

On 1 April 2019 the Company had 41,023,303 shares on issue. During the year 25,439,882 shares were issued. The number of shares on issue at 31 March 2020 was 66,463,185. A total of \$2,149,413 was raised through the issue of these shares during the year.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no significant change in the activities of the Company during the year. Amplia has continued to be focused on the development of drug candidates AMP886 and AMP945 for application in immuno-oncology and chronic fibrosis indications.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report or in the Consolidated Financial Statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

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## **FUTURE DEVELOPMENTS**

Focal Adhesion Kinase or "FAK" has emerged as an important target in both fibrotic cancers such as pancreatic and ovarian cancer as well as non-cancer fibrosis such as idiopathic pulmonary fibrosis. The FAK inhibiting assets AMP886 and AMP945 which are now held by the Group through the acquisition of Amplia in 2018 represent highly attractive compounds for clinical development possessing excellent potency and drug-like properties, biological selectivity, bioavailability and manufacturing scale-up potential.

The Group plans to advance the development of these drug candidates as rapidly as possible. The clinical development plan currently envisages a healthy volunteer Phase 1 dose finding, safety and tolerability study in Australia which is expected to provide the necessary data to underpin subsequent Phase 2 studies in patients.

As mentioned above, the spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on Australian and international economies and, as such, the Company is unable to determine if it will have a material impact to its future operations.

## **ENVIRONMENTAL ISSUES**

The Group was in compliance with all the necessary environmental regulations throughout the period and no related issues have arisen since the end of the financial year to the date of this report.

## **PROCEEDINGS ON BEHALF OF COMPANY**

No person has applied for leave of any court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

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## REMUNERATION REPORT

The Directors of the Group present the Remuneration Report for non-executive directors, executive directors and other key management personnel (“KMP”), prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

### Directors and KMP disclosed in this report

Name	Position
<b>Directors</b>	
Warwick Tong	Chairman and Non-Executive Director
John Lambert	Chief Executive Officer & Managing Director (appointed CEO on 24 June 2019 and Managing Director on 6 February 2020; formerly Operations Manager)
Robert Peach	Non-Executive Director
Christopher Burns	Non-Executive Director
Simon Wilkinson	Formerly Chief Executive Officer and Managing Director (resigned as CEO and Managing Director on 23 June 2019; retired as a Non-Executive Director on 6 February 2020)
Christian Behrenbruch	Non-Executive Director (retired on 6 February 2020)
Andrew Cooke	Non-Executive Director & Company Secretary (retired as Non-Executive Director on 6 February 2020 and remains as Company Secretary)
<b>Other KMP</b>	
Jeff Carter	Chief Financial Officer (CFO)

### Role of the Remuneration Committee

The Remuneration Committee is a committee of the Board. Its primary purpose is to:

- Assist the Board in fulfilling its oversight responsibilities relating to the remuneration of officers, directors, and executives of the Company.
- Advise the Board regarding the Company’s remuneration philosophies, practices, and procedures.
- Advise the Board regarding key senior management succession planning, including recruiting, hiring, development, and retention, and termination of key senior executives.

The objective of the Committee, currently comprising Directors Dr Peach (chair) and Dr Burns is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

### Non-executive directors’ remuneration policy

Fees and payments to non-executive directors reflect the demands, which are made on, and the responsibilities of, the directors. For the financial year ended 31 March 2020, the Board approved an annual base fee of \$30,000 for the Chairman and \$20,000 for the other non-executive directors (which also covers serving on a committee), paid six monthly in arrears. Long term incentives are provided through

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participation in the Employee Share Option Plan. Mr Behrenbruch agreed not to receive any cash or equity compensation for being a non-executive director of the Company. Dr Tong, Dr Peach and Dr Burns agreed to defer payment of their fees that were due for the twelve months to 31 March 2020 until further notice. Mr Cooke agreed to defer payment, of his non-executive director fee, that was due to the date of his retirement from the Board until further notice.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The fee pool limit was set at \$300,000 at the 2014 Annual General Meeting.

There are no retirement allowances for non-executive directors, in line with guidance from the ASX Corporate Governance Council on non-executive directors' remuneration. Superannuation contributions to Australian resident non-executive directors are made where required under the Australian superannuation guarantee legislation.

## **Executive remuneration policy**

The Remuneration Committee is responsible for approving remuneration packages applicable to executive directors and other KMP of the Group. The Remuneration Committee is to ensure that the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of high quality and standard.

Executive directors of the Group do not receive director's fees and are not currently provided with retirement benefits.

Executive directors and KMP are remunerated primarily by means of cash benefits and may receive cash bonuses based on the achievement of individually set key performance indicators. However, the Group's need to preserve cash may result in the cash component of remuneration being insufficient to match that which is offered by other companies to personnel in comparable positions or with similar skill sets. Accordingly, the Group may use share options where necessary to mitigate this and to also provide for medium term shareholder and KMP goal alignment.

To enable share options to be included as part of Director and KMP remuneration, an Employee Share Option Plan was adopted by on 12 November 2013.

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## Directors' and other Key Management Personnel Remuneration - 31 March 2020

Details of the nature and amount of each element of the remuneration of each Director and KMP for the year ended 31 March 2020, are shown in the table below:

2020	Short-Term Benefits			Post-Employment Benefits			Share based payments (options) <sup>6</sup> (\$)	Total (\$)
	Cash Salary & Fees (\$)	Cash Bonus (\$)	Non-monetary Benefits (\$)	Super-annuation (\$)	Retirement benefits (\$)	Long Service Leave (\$)		
<b>Directors</b>								
<i>Non –Executive</i>								
Warwick Tong	30,000 <sup>1</sup>	-	-	-	-	-	-	30,000
Robert Peach	20,000 <sup>1</sup>	-	-	-	-	-	37,281	57,281
Christian Behrenbruch	-	-	-	-	-	-	-	-
Christopher Burns	20,000 <sup>1</sup>	-	-	-	-	-	-	20,000
Andrew Cooke	76,667 <sup>2</sup>	-	-	-	-	-	37,281	113,948
<i>Executive</i>								
Simon Wilkinson	136,917 <sup>3</sup>	-	-	-	-	-	62,910	199,827
John Lambert	160,973 <sup>4</sup>	-	-	13,154	-	-	65,364	239,491
<b>Total Directors</b>	<b>444,557</b>	<b>-</b>	<b>-</b>	<b>13,154</b>	<b>-</b>	<b>-</b>	<b>202,836</b>	<b>660,547</b>
<b>KMP</b>								
Jeff Carter	90,300 <sup>5</sup>	-	-	-	-	-	-	90,300
<b>Total KMP</b>	<b>90,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,300</b>

<sup>1</sup> Director fees for the twelve months to 31 March 2020 were accrued but payment has been deferred until further notice.

<sup>2</sup> Mr Cooke is also the Company Secretary and this amount includes fees for these services provided by Mr Cooke's service company, AJC Corporate Services Pty Ltd, of \$5,000 per month i.e. \$60,000 p.a. Payment of his director fees to the date of retirement i.e. \$16,667 has been deferred until further notice.

<sup>3</sup> Mr Wilkinson was the CEO to 23 June 2019. This amount includes his annual salary of NZ\$230,000 up to 23 September 2019 and a non-executive director fees of \$6,667. No director fees were paid to Mr Wilkinson until he became a non-executive director. From date of retirement Mr Wilkinson may be paid a monthly consulting fee of \$1,000.

<sup>4</sup> Dr Lambert's services were provided by Dr Lambert's service company, Parallax Consulting Pty Ltd up to his date of appointment as CEO. On 16 August 2018 the Company entered into an hourly contract for his services for a maximum of \$3,400 per week. On 24 June 2019 Dr Lambert was appointed as CEO and receives an annual salary of \$180,000 plus statutory superannuation. No director fees were paid to Dr Lambert.

<sup>5</sup> Mr Carter's CFO services are provided by Mr Carter's service company, Joblak Pty Ltd. The Company entered into a contract for his services at \$7,525 per month.

<sup>6</sup> Share based payments have all been in the form of options.

The Board set no other performance criteria for KMP during the year to 31 March 2020 and no other bonuses were paid to them.

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## Directors' and other Key Management Personnel Remuneration - 31 March 2019

Details of the nature and amount of each element of the remuneration of each Director and KMP for the year ended 31 March 2019, are shown in the table below:

2019	Short-Term Benefits			Post-Employment Benefits			Share based payments (options) <sup>6</sup> (\$)	Total (\$)
	Cash Salary & Fees (\$)	Cash Bonus (\$)	Non-monetary Benefits (\$)	Super-annuation (\$)	Retirement benefits (\$)	Long Service Leave (\$)		
<b>Directors</b>								
<i>Non –Executive</i>								
Warwick Tong	27,247	-	-	-	-	-	-	27,247 <sup>1</sup>
Robert Peach	20,000	-	-	-	-	-	29,972	49,972 <sup>1</sup>
Christian Behrenbruch	-	-	-	-	-	-	-	-
Christopher Burns	-	-	-	-	-	-	-	-
Andrew Cooke	78,165 <sup>2</sup>	-	-	-	-	-	29,972	108,137
Michael Quinn	-	-	-	-	-	-	-	-
Andrew Sneddon	-	-	-	-	-	-	-	-
Christopher Collins	-	-	-	-	-	-	-	-
Elizabeth Hopkins	-	-	-	-	-	-	-	-
<i>Executive</i>								
Simon Wilkinson	246,611 <sup>3</sup>	-	-	-	-	-	143,191	389,802
<b>Total Directors</b>	<b>372,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203,135</b>	<b>575,158</b>
<b>KMP</b>								
Jeff Carter	90,300 <sup>4</sup>	-	-	-	-	-	-	90,300
John Lambert	57,758 <sup>5</sup>	-	-	-	-	-	41,261	99,019
<b>Total KMP</b>	<b>148,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,261</b>	<b>189,319</b>

<sup>1</sup> Director fees for the six months to 31 March 2019 were accrued but payment has been deferred until further notice.

<sup>2</sup> Mr Cooke is also the Company Secretary and this amount includes fees for these services provided by Mr Cooke's service company, AJC Corporate Services Pty Ltd, of \$5,000 per month.

<sup>3</sup> Mr Wilkinson was the CEO to 23 June 2019. This amount includes his annual salary of NZ\$230,000 and payout of accrued annual leave of NZ\$26,538. No directors' fees are paid to Mr Wilkinson.

<sup>4</sup> Mr Carter's CFO services are provided by Mr Carter's service company, Joblak Pty Ltd. The Company entered into a contract for his services at \$7,525 per month.

<sup>5</sup> Dr Lambert's services are provided by Dr Lambert's service company, Parallax Consulting Pty Ltd. On 16 August 2018 the Company entered into an hourly contract for his services for a maximum of \$3,400 per week. On 24 June 2019 Dr Lambert was appointed as Chief Executive Officer and will receive an annual salary of \$180,000 plus statutory superannuation.

<sup>6</sup> Share based payments have all been in the form of options.

The Board set no other performance criteria for KMP during the year to 31 March 2019 and no other bonuses were paid to them.

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## Options issued as part of remuneration for the year ended 31 March 2020

Options may be issued to executives as part of their remuneration. The options are issued to encourage goal alignment between executives, directors and shareholders.

No options were issued to Directors as part of remuneration during the year ended 31 March 2020. The following options issued to KMP's as part of remuneration during the year ended 31 March 2020.

2020	Date of Issue	Number	Vesting <sup>1</sup>	Strike Price	Expiry	Fair Value (\$)
<b>Other KMP</b>						
John Lambert	1-Oct-19	1,200,000	1/4 annually	\$0.165	24-Jun-24	54,168 <sup>1</sup>
<b>Total Other KMP</b>		<b>1,200,000</b>				<b>54,168</b>

<sup>1</sup> Dr Lambert was appointed as Managing Director on 6 February 2020. These options were issued when he was not a member of the Board. There are no performance conditions for the vesting of options unless otherwise noted. The Remuneration Committee decided that time based vesting was the most appropriate form of vesting for the Company. The fair value of the options issued was 4.51 cents each.

No other options were issued to Directors or other Key Management Personnel during the year to 31 March 2020.

## Options issued as part of remuneration for the year ended 31 March 2019

The following options were issued to Directors and KMP's as part of remuneration during the year ended 31 March 2019. The options issued to Directors were approved by shareholders at the Annual General Meeting on 31 August 2018.

2019	Date of Issue	Number	Vesting <sup>1</sup>	Strike Price	Expiry	Fair Value (\$)
<b>Directors</b>						
<i>Non-Executive</i>						
Robert Peach	31-Aug-18	480,000	1/4 annually	\$0.60	31-Aug-23	99,130 <sup>2</sup>
Andrew Cooke	31-Aug-18	480,000	1/4 annually	\$0.60	31-Aug-23	99,130 <sup>2</sup>
<i>Executive</i>						
Simon Wilkinson	31-Aug-18	1,370,000	1/4 immediately 1/4 annually (4/5/19 & 4/5/20) 1/4 milestone based <sup>3</sup>	\$0.60	31-Mar-22	233,000 <sup>4</sup>
<b>Total Directors</b>		<b>2,330,000</b>				<b>431,260</b>
<b>Other KMP</b>						
John Lambert	31-Aug-18	750,000	1/4 annually	\$0.60	31-Aug-22	136,470 <sup>5</sup>
<b>Total Other KMP</b>		<b>750,000</b>				<b>136,470</b>

<sup>1</sup> There are no performance conditions for the vesting of options unless otherwise noted. The Remuneration Committee decided that time based vesting was the most appropriate form of vesting for the Company.

<sup>2</sup> The fair value of the options issued was 20.65 cents each.

<sup>3</sup> These options vest on successful capital raise of or about \$5 million or 4 May 2021 if not vested beforehand.

<sup>4</sup> The fair value of the options issued was 17.01 cents each.

<sup>5</sup> The fair value of the options issued was 18.20 cents each.

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No other options were issued to Directors or other Key Management Personnel during the year to 31 March 2019.

## **Employment Contracts**

### ***John Lambert – CEO & Managing Director (former Operations Manager)***

On 16 August 2018, the Company entered into a consultancy agreement with Dr Lambert's service company, Parallax Consulting Pty Ltd. Pursuant to the terms of the Agreement, Dr Lambert's company was paid a maximum amount of \$3,400 for 20 hours per week to perform the role of Operations Manager. The initial term was for a fixed period of 12 months. It was also agreed that Dr Lambert would be issued 750,000 options (as included in the 2019 remuneration table above). Dr Lambert was appointed as CEO on 24 June 2019. His fixed remuneration from that date is \$180,000 per annum plus statutory superannuation. Under the agreement he was granted 1,200,000 options with an exercise price of \$0.165 and an expiry date of 24 June 2024. Either party may terminate the Employment Agreement by the giving of three month's written notice to the other. Dr Lambert was appointed Managing Director on 6 February 2020.

### ***Simon Wilkinson – Former CEO***

On 26 June 2014, the Company entered into an Employment Agreement with Mr Wilkinson as CEO and Managing Director. Pursuant to these terms, Mr Wilkinson was to be paid a salary of NZ\$180,000 per annum for the period 1 October 2013 to 31 December 2013 and thereafter NZ\$230,000 per annum. Either party may terminate the Employment Agreement by the giving of one month's written notice to the other. Mr Wilkinson stepped down as Managing Director and CEO on 23 June 2019.

### ***Jeff Carter - CFO***

On 1 May 2016, the Company entered into a consultancy agreement with Mr Carter's service company, Joblak Pty Ltd to 30 June 2017. Pursuant to the terms of the Agreement, Mr Carter's company is paid a monthly amount of \$7,525 for Mr Carter to perform the part time role of Chief Financial Officer of the Company.

## ***Non-Executive Directors***

There are no contracts in place for non-executive directors.

## **Directors' and other Key Management Personnel Equity Holdings**

- (i) Options provided as remuneration and shares issued on the exercise of such options are outlined below. The terms and conditions of the options issued during the year ended 31 March 2020 can be found above ("Options Issued as part of Remuneration for the year ended 31 March 2020"). The terms and conditions of the options issued during the year ended 31 March 2019 can be found above ("Options Issued as part of Remuneration for the year ended 31 March 2019").
- (ii) The number of unlisted options over ordinary shares in the company held by each director of the company and other KMP (including related parties) of the Group are set out below including all options that are vested are exercisable at year end.

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<b>2020 - Options</b>	<b>Balance at start of the year<sup>1</sup></b>	<b>Granted during the year as compensation</b>	<b>Exercised during the year</b>	<b>Other changes during the year*</b>	<b>Other</b>	<b>Balance at the end of the year</b>	<b>Vested and exercisable at year end</b>
<b>Directors</b>							
<i>Non-Executive</i>							
Warwick Tong	-	-	-	165,000 <sup>1</sup>	-	165,000	165,000
Christian Behrenbruch <sup>3</sup>	-	-	-	125,000 <sup>1</sup>	(125,000) <sup>3</sup>	-	-
Christopher Burns	-	-	-	30,000 <sup>1</sup>	-	30,000	30,000
Robert Peach	480,000	-	-	500,000 <sup>1</sup>	-	980,000	620,000
Andrew Cooke <sup>3</sup>	480,000	-	-	63 <sup>1</sup>	-	480,063	120,063
<i>Executive</i>							
Simon Wilkinson <sup>3</sup>	1,545,000	-	-	(175,000) <sup>2</sup>	(1,370,000) <sup>3</sup>	-	-
John Lambert	750,000	1,200,000 <sup>6</sup>	-	50,000 <sup>1</sup>	-	2,000,000	237,500
<b>Total Directors</b>	<b>3,255,000</b>	<b>1,200,000</b>	<b>-</b>	<b>695,063</b>	<b>(1,495,000)</b>	<b>3,655,063</b>	<b>1,172,563</b>
<b>Other KMP</b>							
Jeff Carter	-	-	-	-	-	-	-
<b>Total Other KMP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Received through participation in rights issue and/or Directors' & Management placement as approved by shareholders.

<sup>2</sup> Expired unexercised/lapsed during the year.

<sup>3</sup> Director retired/resigned on 6 February 2020.

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(iii) The number of shares in the Company held by each director of the company and other KMP (including personally related parties) of the Group are set out below

2020 – Shares	Balance at start of the year	Granted during the year as compensation	Received during the year upon exercise of options	Other changes during the year	Other	Balance at the end of the year
<b>Directors</b>						
<i>Non-Executive</i>						
Warwick Tong	1,661,428 <sup>1</sup>	-	-	330,000 <sup>2</sup>	-	1,991,428
Christian Behrenbruch <sup>3</sup>	2,492,142 <sup>1</sup>	-	-	250,000 <sup>2</sup>	(2,742,142) <sup>3</sup>	-
Christopher Burns	2,215,237	-	-	60,000 <sup>2</sup>	-	2,275,237
Robert Peach	56,000	-	-	1,000,000 <sup>2</sup>	-	1,056,000
Andrew Cooke <sup>3</sup>	250	-	-	125 <sup>2</sup>	-	375
<i>Executive</i>						
Simon Wilkinson <sup>3</sup>	11,112 <sup>4</sup>	-	-	-	(11,112) <sup>3</sup>	-
John Lambert	-	-	-	100,000 <sup>2</sup>	-	100,000
<b>Total Directors</b>	<b>6,436,169</b>	<b>-</b>	<b>-</b>	<b>1,740,125</b>	<b>(2,753,254)</b>	<b>5,423,040</b>
<b>Other KMP</b>						
Jeff Carter	-	-	-	-	-	-
<b>Total Other KMP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> These shares were subject to Voluntary Escrow for 24 months from 4 May 2018 and were issued in relation to the acquisition of Amplia as approved by shareholders on 26 April 2018.

<sup>2</sup> Received through participation in rights issue and/or Directors' & Management placement as approved by shareholders.

<sup>3</sup> Director retired/resigned on 6 February 2020. So the balance at year end is not applicable.

<sup>4</sup> These shares were held directly by Mr Wilkinson's spouse. However, they have been included in this disclosure as a personally related interest.

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## OTHER

### Loans to Directors and Other Key Management Personnel

There were no loans to any directors of the Company or other KMP of the Group during the financial year ended 31 March 2020.

### Other Transactions with Directors and Other Key Management Personnel

There were no other transactions with directors of the Company or other KMP of the Group during the financial year.

### Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

Item	2020	2019	2018	2017	2016
EPS (cents)	(4.58)	(4.56)	(19.0)	(33.3)	(27.3)
Dividends (cents)	-	-	-	-	-
Net profit/loss (\$000)	(2,219)	(1,870)	(4,297)	(7,076)	(4,943)
Share Price – (cents)	6	14	76	765	180

## End of Remuneration Report

## OPTIONS

At the date of this report unissued shares of the Group under option are:

Expiry Date	Exercise Price (\$)	Number as at 31 March 2020	Number exercised/lapsed during year ended 31 March 2020	Number exercised/lapsed post reporting date
20-Aug-19	4.00	-	175,000	-
22-Oct-19	4.00	-	15,000	-
31-Mar-22	0.60	1,370,000	-	-
30-Jun-22	0.15	6,073,688	-	-
31-Aug-22	0.60	750,000	-	-
31-Aug-23	0.60	960,000	-	-
24-Jun-24	0.165	1,200,000	-	-
		<b>10,353,688</b>	<b>180,000</b>	-

The number of shares under option, on the date of this report, was 10,353,688.

## DIRECTORS' INTERESTS

Particulars of Directors' interests in shares and options as at the date of this report are as follows:

	Ordinary Shares	Options
Warwick Tong	1,911,428	-
Robert Peach	1,056,000	980,000
Chris Burns	2,275,237	30,000
John Lambert	100,000	2,000,000
	<b>5,242,665</b>	<b>1,010,000</b>

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The above table only includes details for Directors that were Directors as the date of this report. Further information regarding the above interests and net movements throughout the reporting period is disclosed in Note 9 (Related Parties) to the Financial Statements accompanying this Directors' Report.

## MEETINGS OF DIRECTORS

During the financial year, meetings of directors (including committee meetings) were held.

Attendances were:	DIRECTORS' MEETINGS		AUDIT COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Warwick Tong	14	14	7	7	-	-
Simon Wilkinson <sup>1</sup>	13	13	-	-	-	-
Robert Peach	14	13	-	-	2	2
Christian Behrenbruch <sup>1</sup>	13	13	-	-	2	2
Christopher Burns <sup>2</sup>	14	13	-	-	2	2
Andrew Cooke <sup>1</sup>	13	13	7	7	-	-
John Lambert <sup>3</sup>	1	1	-	-	-	-

<sup>1</sup> Director resigned 6 February 2020.

<sup>2</sup> Appointed to Audit Committee 17 March 2020.

<sup>3</sup> Director appointed 6 February 2020.

## AUDIT COMMITTEE

The Group has an Audit Committee. Details of the composition, role and Terms of Reference of the Audit Committee are contained in the Statement of Corporate Governance Practices and are available on the Company's website at <http://www.ampliatx.com/site/About-Us/corporate-governance>.

During the reporting period, the Audit Committee consisted of the following Non-executive, Independent Directors:

Mr Chris Burns (Chairman)

Mr Warwick Tong

Mr Andrew Cooke – (Chairman until February 2020; ceased as a member on 6 February 2020)

The Group's lead signing and review External Audit Partner, CEO, CFO and selected consultants attend meetings of the Audit Committee by standing invitation.

## DIRECTORS' AND AUDITORS' INDEMNIFICATION

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company entered into Deeds of Indemnity, Insurance and Access in favour of all directors.
- The Company has paid premiums to insure all directors of the parent entity and officers of the consolidated entity against liabilities for costs and expenses incurred by them in defending any legal

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proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

## DIRECTORS' BENEFITS

Since 1 April 2019, no director has received or become entitled to receive a benefit because of a contract made by the Company, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of remuneration received or due and receivable by directors and shown in the company's accounts, or the fixed salary of a full-time employee of the parent entity, controlled entity, or related body corporate.

## NON-AUDIT SERVICES

The external auditors, Grant Thornton, were engaged to provide tax advice and other accounting services and were paid \$7,000 for these services in 2020 (2019 \$13,000).

## AUDIT INDEPENDENCE

The lead auditor has provided the Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 31 March 2020 and a copy of this declaration forms part of the Directors' Report.

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



**WARWICK TONG**  
Chairman

25 June 2020



**JOHN LAMBERT**  
CEO & Managing Director

## Auditor's Independence Declaration

### To the Directors of Amplia Therapeutics Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Amplia Therapeutics Limited for the year ended 31 March 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 25 June 2020

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2020

	Note	Year ended March 2020 \$	Year ended March 2019 \$
Other operating income	4	34,227	50,474
Total other operating income		34,227	50,474
Research and development expenses		(1,071,677)	(678,419)
Patent and associated expenses		(123,218)	(155,478)
General and administration expenses		(858,886)	(860,833)
Depreciation & amortisation		(801)	(1,590)
Share based compensation (employee & non-employee)		(202,835)	(244,396)
Operating deficit before financing costs		(2,223,190)	(1,890,242)
Interest income		3,716	20,284
Net financial expense		3,716	20,284
Loss before income tax expense		(2,219,474)	(1,869,958)
Income tax expense/(benefit)	12	-	-
Loss after income tax expense/(benefit)		(2,219,474)	(1,869,958)
Other comprehensive income/(loss)			
<i>Items that may be subsequently reclassified to profit/loss</i>			
Exchange differences of foreign exchange translation		-	-
Total comprehensive loss		(2,219,474)	(1,869,958)
Basic and diluted earnings per share (weighted)	18	(4.6)	(4.7)

The accompanying notes form part of these financial statements

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## Consolidated Statement of Financial Position for the year ended 31 March 2020

	Note	Year ended March 2020 \$	Year ended March 2019 \$
<b>Current assets</b>			
Cash and cash equivalents	3	1,108,115	1,240,909
Prepayments		24,420	10,895
Research & development tax incentive receivable		34,227	-
Other current assets		10,894	-
<b>Total current assets</b>		<b>1,177,656</b>	<b>1,251,804</b>
<b>Non current assets</b>			
Property, plant and equipment	5	797	1,598
Intangible assets	6	7,937,932	7,937,932
<b>Total non current assets</b>		<b>7,938,729</b>	<b>7,939,530</b>
<b>Total assets</b>		<b>9,116,385</b>	<b>9,191,334</b>
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	510,620	526,859
<b>Total current liabilities</b>		<b>510,620</b>	<b>526,859</b>
<b>Non current liabilities</b>			
<b>Total liabilities</b>		<b>510,620</b>	<b>526,859</b>
<b>Equity</b>			
Paid-in capital	15	132,903,135	130,945,206
Reserves		(1,371,288)	(1,363,805)
Accumulated losses		(122,926,082)	(120,916,926)
<b>Total equity</b>		<b>8,605,765</b>	<b>8,664,475</b>
<b>Total equity and liabilities</b>		<b>9,116,385</b>	<b>9,191,334</b>

The accompanying notes form part of these financial statements

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## Consolidated Statement of Changes in Equity for the year ended 31 March 2020

	Paid-in Capital	Share Option Reserve	Foreign Currency Translation	Accumulated Losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 April 2018	123,019,417	1,468,304	(1,818,617)	(120,304,856)	2,364,248
(Loss) after income tax for the year	-	-	-	(1,869,958)	(1,869,958)
Other comprehensive (loss) after tax	-	-	-	-	-
Total comprehensive (loss)	-	-	-	(1,869,958)	(1,869,958)
Issue of shares	7,937,932	-	-	-	7,937,932
Capital raising/issuing costs	(12,143)	-	-	-	(12,143)
Expired/lapsed options	-	(1,257,888)	-	1,257,888	-
Issue/vesting of share options	-	244,396	-	-	244,396
	7,925,789	(1,013,492)	-	(612,070)	6,300,227
Balance at 31 March 2019	130,945,206	454,812	(1,818,617)	(120,916,926)	8,664,475
(Loss) after income tax for the year	-	-	-	(2,219,474)	(2,219,474)
Other comprehensive (loss) after tax	-	-	-	-	-
Total comprehensive (loss)	-	-	-	(2,219,474)	(2,219,474)
Issue of shares	2,149,413	-	-	-	2,149,413
Capital raising/issuing costs	(191,484)	-	-	-	(191,484)
Expired/lapsed options	-	(210,318)	-	210,318	-
Issue/vesting of share options	-	202,835	-	-	202,835
	1,957,929	(7,483)	-	(2,009,156)	(58,710)
Balance at 31 March 2020	132,903,135	447,329	(1,818,617)	(122,926,082)	8,605,765

The accompanying notes form part of these financial statements

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## Consolidated Statement of Cash Flows for the year ended 31 March 2020

	Note	Year ended March 2020 \$	Year ended March 2019 \$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Interest received		3,158	20,284
R&D incentive received		-	218,117
Payments to suppliers		(1,569,367)	(610,914)
Payments to employees		(521,768)	(614,835)
<b>Net cash outflow from operating activities</b>	14	<u>(2,087,977)</u>	<u>(987,348)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of property, plant and equipment		-	(3,188)
Disposal of property, plant and equipment		-	-
<b>Net cash inflow/(outflow) from investing activities</b>		<u>-</u>	<u>(3,188)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Issue of shares		2,149,413	-
Capital raising/issuing listing costs		(191,484)	(12,143)
<b>Net cash inflow from financing activities</b>		<u>1,957,929</u>	<u>(12,143)</u>
<b>Net increase/(decrease) in cash held</b>		(130,048)	(1,002,679)
Foreign exchange effect on cash and cash equivalent balances		(2,746)	14,398
Cash at the beginning of the year		1,240,909	2,229,190
<b>Cash at the end of the year</b>		<u>1,108,115</u>	<u>1,240,909</u>
<b><u>CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION</u></b>			
Cash and cash equivalents	3	<u>1,108,115</u>	<u>1,240,909</u>
<b>Closing cash balance</b>		<u>1,108,115</u>	<u>1,240,909</u>

The accompanying notes form part of these financial statements

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## Notes to the Financial Statements for the year ended 31 March 2020

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial statements presented are for the entity Amplia Therapeutics Limited and its controlled entities as a consolidated entity (the “Group”).

The 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. Compliance with Australian Accounting Standards ensures the consolidated financial statements and notes of the Group comply with International Financial Reporting Standards (“IFRS”). Amplia is a for profit entity for the purposes of reporting under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of financial assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

In applying Australian Accounting Standards management must make judgement regarding carrying values of assets and liabilities that are not readily apparent from other sources. Assumptions and estimates are based on historical experience and any other factors that are believed reasonable in light of the relevant circumstances. These estimates are reviewed on an ongoing basis and revised in those periods to which the revision directly affects.

All accounting policies are chosen to ensure the resulting financial information satisfies the concepts of relevance and reliability.

### (b) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 10 Consolidated Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising with the consolidated entity are eliminated in full.

A list of controlled entities is found in Note 8 of the Financial Statements.

### (c) Effect of New and Revised Standards

The following new standards were effective and adopted as at 1 April 2019:

#### *AASB 16 – Leases*

The Group has adopted AASB 16 from 1 April 2019. AASB 16 replaces AASB 117 Leases and for lessees eliminates the classifications of operating leases and finance leases. As the Group does not have any leases the adoption of the standard has had no impact on the Group’s accounting policies reported during the current year or prior year.

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## **(d) Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, at call deposits with banks or financial institutions, bank bills and investments in money market instruments where it is easily convertible to a known amount of cash and subject to an insignificant risk of change in value.

## **(e) Property, Plant and Equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a diminishing value basis to expense the cost of the assets over their estimated useful lives and reflects the pattern of consumption of the future economic benefits of these assets and is as follows:

Leasehold improvements	4 to 13 years
Plant and equipment	4 to 11 years
Office furniture and fittings	2 to 13 years

Depreciation is charged to profit or loss within the Statement of Profit or Loss and Other Comprehensive Income. The residual value and useful life of property, plant and equipment is reassessed annually.

Repairs and maintenance and gains or losses on sale or disposal of assets are reflected in profit or loss within Statement of Profit or Loss and Other Comprehensive Income as incurred. Major renewals and betterments are capitalised.

## **(f) Foreign Currencies**

The functional and presentation currency of the Group is Australian dollars.

Transactions denominated in foreign currencies are converted at the exchange rate current at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted at exchange rates current at reporting date. Foreign exchange gains or losses are included in profit or loss within the Statement of Profit or Loss and Other Comprehensive Income.

## **(g) Research and Development**

Research expenses include direct and overhead expenses for drug discovery and research, pre-clinical trials and, more recently, for costs associated with clinical trial activities and drug manufacturing industrialisation.

When a project reaches the stage where it is reasonably certain that future expenditure can be recovered through the processes or products produced, development expenditure is recognised as a development asset (other intangible asset).

## **(h) Share Capital**

Ordinary shares are classified as equity. Costs associated with the issue of raising capital are recognised in shareholders' equity as a reduction of the share proceeds received. Other expenses such as legal fees are charged to profit and loss within the Statement of Profit or Loss and Other Comprehensive Income in the period the expense is incurred.

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## **(i) Earnings Per Share**

### *Basic Earnings Per Share*

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

### *Diluted Earnings Per Share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## **(j) Goods & Services Tax**

The Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows have been prepared so that all components are presented exclusive of GST. All items in the Statement of Financial Position are presented net of GST, with the exception of receivables and payables, which include GST invoiced.

## **(k) Income Tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss within the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in Other Comprehensive Income, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences or unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## **(l) Other Income**

Other income is recognised on an accrual basis unless there is significant uncertainty as to the extent and qualifying criteria for future receipt of such other income. If this condition is not met then other income is recognised on a cash basis.

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The Group's other income includes R&D incentive payment received in relation to qualifying 2018 R&D expenditure.

## **(m) Statement of Cash Flows**

The Statement of Cash Flows has been prepared using the direct approach. Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

*Investing activities* are those activities relating to the acquisition, holding and disposal of property, plant and equipment, intangible assets and investments.

*Financing activities* are those that result in changes in the size and composition of the capital structure. Cash is considered to be cash on hand and current accounts and demand deposits in banks, net of bank overdrafts.

*Operating activities* are all transactions and events that are not investing or financing activities.

## **(n) Share-Based Compensation**

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees and directors are rewarded using share-based payments, the fair values of employees' and directors' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

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## **(o) Finance Income and Expenses**

### *Finance income*

Finance income comprises of interest income. Interest income is recognised as it accrues, using the effective interest method.

### *Finance expenses*

Finance expenses comprised of interest expense on borrowings. All borrowing costs are recognised in profit and loss of Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

## **(p) Operating Expenses**

Operating expenses are recognised in profit or loss within the Statement of Profit or Loss and Other Comprehensive Income upon utilisation of the service or at the date of their origin.

## **(q) Financial Instruments**

### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

### *Impairment of Financial assets*

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

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## *Trade and other receivables and contract assets*

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

## *Financial liabilities*

The Group's financial liabilities include trade and other payables. All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at fair value through profit or loss.

## *Derivative financial instruments*

At the reporting date the Group did not undertake any form of hedge accounting.

## *Determination of fair value and fair value hierarchy*

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices in active markets for the same instrument (i.e. without modification or repackaging);

Level 2: Quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data and yield curve information provided by the Group's bankers; and

Level 3: Valuation techniques for which significant inputs are not based on observable market data.

## **(r) Post Employment Benefits and Short Term Employee Benefits**

The Group does not provide any post employment benefits other than superannuation contributions where required by statutory obligations. Short term employee benefits are included in current liabilities, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. There are no long term employee benefits.

## **(s) Segment Reporting**

A segment is a component of the Group entity that earns revenues or incurs expenses whose results are regularly reviewed by the chief operating decision makers and for which discrete financial information is prepared. The Group has no operating segments, management review financial information on a consolidated basis. It has established entities in more than one geographical area, however the activities from these entities comparative to the Group are considered immaterial for the purposes of segment reporting.

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## **(t) Intangible Assets**

Intangible assets are carried at cost and are amortised over the life of the intangible asset. The licenses acquired, by the acquisition of Amplia Therapeutics Pty Ltd, were valued at the deemed acquisition value. The licences are not yet ready for use and hence, no amortisation has been made for the current year.

## **(u) Going Concern**

The financial statements have been prepared on a going concern basis after taking into consideration the net loss for the year of \$2,219,474 and the cash and cash equivalents balance of \$1,108,115. The going concern basis contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments. Accordingly, the financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

The Company has the exclusive worldwide license to develop and commercialise the drug candidates AMP945 and AMP886. The exploitation of these licenses will require future funding. The Directors believe that they will be able to raise sufficient capital to fund the Group's future operations. The Directors continue to monitor these ongoing funding requirements and are of the opinion that the financial statements have been appropriately prepared on a going concern basis.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continued to spread throughout Australia and the World. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on Australian and international economies and, as such, the Company is unable to determine if it will have a material impact to its operations. However, at this stage the directors do not believe this will impact the going concern of the Company.

## **2. CRITICAL ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 – Estimate and receipt of the R&D future tax incentive accrued. This is based on management's assessment of the qualifying R&D expenses and the expected recoverability of this government R&D tax incentive payment. In the current year no accrual has been made for the R&D tax incentive on the basis that the Advance Overseas Finding Application to AusIndustry is yet to be approved by AusIndustry.
- Note 6 – The Group assesses the impairment of non-financial assets at each reporting date

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by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This incorporates a number of key estimates and assumptions.

### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<b>March 2020</b>	<b>March 2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank (NZD)	13,411	1,687
Cash at bank (AUD)	90,860	93,287
Cash at bank (USD)	-	105,704
Cash at bank (EUR)	90	922
Demand deposits (NZD)	-	91,681
Demand deposits (AUD)	1,003,754	247,628
Short term deposits (AUD)	-	700,000
	<u>1,108,115</u>	<u>1,240,909</u>

### 4. OPERATING LOSS

Operating loss from continuing activities is stated after crediting and charging:

	<b>March 2020</b>	<b>March 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Crediting:</i>		
Interest received	3,716	20,284
R&D tax incentive received in excess of the amount accrued in the prior year	34,227	50,474
R&D future tax incentive accrued	-	-
Foreign exchange gain/<loss>	<1,698>	14,372
<i>Charging:</i>		
Depreciation - Office furniture and fittings	801	1,590
Employee benefits	505,117	569,934
Share based compensation - employees & directors	202,836	244,396

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## 5. PROPERTY, PLANT & EQUIPMENT

	Office Furniture and Fittings \$	Total \$
<b>Gross carrying amounts</b>		
Balance at 1 April 2018	-	-
Additions	3,188	3,188
Disposals	-	-
Foreign currency translation	-	-
Balance at 31 March 2019	<u>3,188</u>	<u>3,188</u>
Balance at 1 April 2019	3,188	3,188
Additions	-	-
Disposals	-	-
Foreign currency translation	-	-
Balance at 31 March 2020	<u>3,188</u>	<u>3,188</u>
Balance at 1 April 2018	-	-
Depreciation for the year	1,590	1,590
Disposals	-	-
Foreign currency translation	-	-
Balance at 31 March 2019	<u>1,590</u>	<u>1,590</u>
Balance at 1 April 2019	-	-
Depreciation for the year	801	801
Disposals	-	-
Foreign currency translation	-	-
Balance at 31 March 2020	<u>2,391</u>	<u>2,391</u>
<b>Carrying amounts</b>		
At 31 March 2019	<u>1,598</u>	<u>1,598</u>
At 31 March 2020	<u>797</u>	<u>797</u>

At the reporting date no items of property, plant and equipment were held under finance leases (March 2019 nil).

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## 6. INTANGIBLE ASSETS

	<b>March 2020</b>	<b>March 2019</b>
	<b>\$</b>	<b>\$</b>
Licenses – at cost	7,937,932	7,937,932
Less: Accumulated amortisation/impairment	-	-
	<u>7,937,932</u>	<u>7,937,932</u>

On 26 April 2018 the Company's shareholders approved the acquisition of Amplia Therapeutics Pty Ltd via the issue of 18,460,308 shares. The closing share price on that date was 43 cents. The deemed share consideration paid on acquisition was therefore \$7,937,932. The only asset of Amplia Therapeutics at acquisition was an exclusive worldwide license to develop and commercialise the drug candidates AMP945 & AMP886.

The Company commissioned an updated independent valuation, by valuation experts, of the two drug assets, which are not yet ready for use, to test the deemed acquisition value for impairment prior to the signing of this report. This independent valuation of the licenses exceeded the deemed total acquisition value of \$7,937,932. The Company has reviewed this valuation and, as at the date of this report, the Company continues to believe that it is appropriate to carry forward the value of the licenses at the deemed acquisition value i.e. \$7,937,932.

The Company assesses at each reporting date whether there is objective evidence that an asset or group of assets is impaired. Where the estimated recoverable amount of the asset is less than its carrying amount, the asset is written down and the impairment loss is recognised in profit or loss within the Statement of Profit or Loss and Other Comprehensive Income. The Company determined that no impairment was necessary for the current year.

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<b>March 2020</b>	<b>March 2019</b>
	<b>\$</b>	<b>\$</b>
Trade accounts payables	474,072	394,132
Employee related payables	25,934	88,963
Other accruals	-	33,150
Preference shares unpaid	10,614	10,614
	<u>510,620</u>	<u>526,859</u>

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## 8. SUBSIDIARIES

Entity	Principal Activity	Country of Incorporation	Percentage Owned (%)	
			2020	2019
<i>Head Entity</i>				
Amplia Therapeutics Limited	Research & Development	Australia	N/A	N/A
<i>Subsidiaries of Amplia Therapeutics Limited</i>				
Amplia Therapeutics (UK) Limited	Research & Development	United Kingdom	100	100
Innate Immunotherapeutics (NZ) Limited <sup>1</sup>	Drug Manufacturing	New Zealand	-	100
ACN 612 556 948 Pty Ltd (formerly Amplia Therapeutics Pty Ltd)	Licence holding company	Australia	100	100

<sup>1</sup>This subsidiary was wound up and deregistered during the year.

## 9. RELATED PARTIES

### (a) Parent Entity

The immediate parent and ultimate controlling party of the Group is Amplia Therapeutics Limited. Interests in subsidiaries are set out in Note 8.

### (b) Directors & Other Key Management Personnel Remuneration

The total compensation to directors and other key management personnel during the year was:

	March 2020	March 2019
	\$	\$
Short-term benefits (including retention & redundancy payments)	534,857	520,081 <sup>1</sup>
Post-employment benefits	13,154	-
Share based payments	202,836	244,396
	750,847	764,477

<sup>1</sup>This includes retention payments of nil (2019: \$155,518) and redundancy payments of nil (2019: \$29,114).

## 10. SHARE BASED COMPENSATION

On 12 November 2013 a new Employee Option was implemented (the "Employee Plan"). Under the terms of the Employee Plan, the Board nominates participants in the Employee Plan and in respect of each nomination the Board determines the number of options and exercise prices (which shall not be below the share price on the date of the grant). The Employee Plan establishes an option limit which shall not exceed 10% of the diluted ordinary share capital of the Company as at the date of issue.

Options granted are cancelled if not exercised within one month of the termination of the grantee's employment or association with the Company, except in certain situations such as death or disability, or at the discretion of the Board. All options are exercisable into ordinary shares on a one for one basis.

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The fair value of options granted is estimated using the Black-Scholes option-pricing model. For options granted in the year ended 31 March 2020 the following detail was used to estimate the fair value of options granted:

	<b>Employees</b>	<b>Directors</b>
Grant date	n/a	1/10/19
Share price	n/a	\$0.09
Exercise price	n/a	\$0.165
Expected volatility	n/a	80%
Option lives (at issue)	n/a	5 years
Expected dividend yield	n/a	0%
Risk free interest rate	n/a	0.66%
Fair value at grant date	n/a	4.51 cents

The above relates to 1,200,000 options granted to an employee who then subsequently became the Managing Director.

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	March 2020		March 2019	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
<b>Employee Options</b>				
Share options on issue at start of year	765,000	\$0.67	45,000	\$4.70
Share options granted	1,200,000	\$0.17	750,000	\$0.60
Share options transferred to Director options	(1,950,000)	\$0.33	-	-
Share options exercised	-	-	-	-
Share options forfeited/lapsed	-	-	-	-
Share options expired	(15,000)	\$4.00	(30,000)	\$5.00
Share options on issue at end of period	-	-	765,000	\$0.67
Share options exercisable at end of period	-	-	15,000	\$4.00
Weighted average remaining contractual life (years)		-		3.4
<b>Directors Options</b>				
Share options on issue at start of year	2,505,000	\$0.84	1,110,000	\$5.30
Share options transferred from Employee options	1,950,000	\$0.33	-	-
Share options granted	-	-	2,330,000	\$0.60
Share options forfeited/lapsed	-	-	(560,000)	\$5.25
Share options exercised	-	-	-	-
Share options expired	(175,000)	\$4.00	(375,000)	\$5.97
Share options on issue at end of period	4,280,000	\$0.48	2,505,000	\$0.84
Share options exercisable at end of period	770,000	\$0.60	517,500	\$1.75
Weighted average remaining contractual life (years)		3.0		3.4

The above details relate to share based compensation granted to employees and directors. Share based compensation granted as consideration for injunction with the issue of shares (e.g. thru the rights issue and/or placements) which were granted to them in their capacity as financiers, are separately included within the Financing Options table below.

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Share based compensation granted as part of financing arrangements during 2020 (2019 Nil) was:

	March 2020		March 2019	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
<b>Financing Options</b>				
Share options on issue at start of year	-	-	412,500	\$5.00
Share options granted	6,073,688 <sup>1</sup>	\$0.15	-	-
Share options transferred	-	-	-	-
Share options exercised	-	-	-	-
Share options expired	-	-	(412,500)	\$5.00
Share options on issue at end of period	<u>6,073,688</u>	<u>\$0.15</u>	<u>-</u>	<u>-</u>
Share options exercisable at end of period	<u>6,073,688</u>	<u>\$0.15</u>	<u>-</u>	<u>-</u>
Weighted average remaining contractual life (years)		2.25	-	-

<sup>1</sup>These options were granted in conjunction with the placements and rights issues undertaken during the period June to August 2019.

## 11. SEGMENT INFORMATION

The Group has no operating segments as management review financial information on a consolidated basis. During the 2020 financial period the Group conducted all its activities in Australia.

## 12. PROVISION FOR INCOME TAX

In assessing the reliability of deferred tax assets, management considers whether it is probable that all of the deferred tax asset will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income and compliance with continuity of ownership requirements.

Based upon the level of projections for future taxable income over the periods in which the temporary differences are available to reduce income taxes payable, and uncertainties over continuity of ownership having regard to the Company's equity raisings, management has established a valuation provision for the full amount of the deferred tax assets related to the net operating loss carried forward.

The Group is a resident for Australian tax purposes and is subject to the statutory tax rate in Australia applicable to the size of the Group i.e. 27.5%. The recoverability of prior tax losses will be dependent on the Group meeting either the "continuity of ownership test" or the "continuity of business test". The Group believes that it will meet one of these tests but regardless, has not recognised the tax benefit of any tax losses carried forward.

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The provision for income taxes for continuing operations differs from the amount computed by applying the statutory rates to the Company's earnings from continuing operations before taxes as a result of the following differences:

	Year ended March 2020 \$	Year ended March 2019 \$
Loss before taxation	(2,219,474)	(1,869,958)
Provision for income taxes at statutory rates	(610,355)	(514,238)
Tax effect of permanent differences		
Share based compensation	55,780	67,209
Licence payments	19,482	-
Other non-deductible/(non-assessable) items	486	(13,880)
Unrecognised temporary differences	-	-
Unrecognised tax losses	534,607	460,909
Income tax expense	<u>-</u>	<u>-</u>

The tax effect of temporary differences that give rise to deferred tax assets and liabilities are as follows:

Current assets:		
Provision for holiday pay	1,988	-
Other accruals	7,975	12,554
Non- current assets:		
Section 40-880 deduction carry forward	53,232	25,833
Net operating loss to carry forward	<u>1,835,950</u>	<u>1,329,026</u>
Total deferred tax assets at 27.5% (2019: 27.5%)	1,899,145	1,367,413
Deferred tax not recognised	<u>1,899,145</u>	<u>1,367,413</u>
Net deferred tax asset	<u>-</u>	<u>-</u>

The gross amount of Australian based tax losses and deductible temporary differences for which no deferred tax asset was recognised is \$6,905,981 (2019: \$4,972,411).

## 13. COMMITMENTS AND CONTINGENT LIABILITIES

### Licenses (AMP945 & AMP886)

Under the in-licence agreement dated 15 March 2018, the Company must use commercially reasonable efforts to develop AMP945 by filing an Investigational New Drug ("IND") application or commence a Phase I trial within two years and AMP886 by filing an IND or commencing a Phase I trial within three years. In February 2020 Cancer Research Technology Limited agreed to extend the timeframe, in which the Phase I trials be commenced, to the end of 2020. There are various milestone payments under the license agreement totalling US\$250,000 for the commencement of Phase I and US\$150,000 for the allowance of the two IND's. Further milestone payments would only become due and payable upon commencing Phase II and III studies, regulatory approvals and ultimately commercialisation.

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## Intellectual Property Royalties on the Use of MIS416 – Vendors

The Company must pay to the original Vendors 3.25% of net revenues on any product sales and licence revenues arising from the use of MIS416 to treat radiation injury, as described in a number of granted patents and patent applications having a priority date in 2009, expiring at the end of the respective patent periods.

## Collaborations

The Group has not entered into any formal collaborative arrangements that give rise to significant contingencies or capital commitments as at 31 March 2020 (March 2019: Nil).

## 14. RECONCILIATION OF NET DEFICIT AFTER TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES

	March 2020	March 2019
	\$	\$
Net Deficit after Tax	(2,219,474)	(1,869,958)
Non Cash Items:		
Depreciation	801	1,590
Share based compensation	202,835	244,396
Foreign exchange movements	2,746	(14,398)
Changes in Working Capital:		
Accounts receivable and prepayments	(58,646)	403,585
Accounts payable and accruals	(16,239)	247,437
Net Cash Outflow From Operating Activities	<u>(2,087,977)</u>	<u>(987,348)</u>

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## 15. SHAREHOLDERS' EQUITY

### Ordinary Shares

On 30 April 2018 the Company consolidated its' shares and options on a 10 into 1 basis.

At 31 March 2020, 66,463,185 ordinary shares (March 2019: 41,023,303) were issued and fully paid. All ordinary shares rank equally as to voting, dividends and liquidation. There are no reserved shares of the Group. The shares have no par value.

	March 2020		March 2019	
	No. of shares	\$	No. of shares	\$
At start of the period	41,023,303	130,945,206	225,625,991	123,019,417
Consolidated 10 into 1 on 30 April 2018			22,562,995	
Shares issued for the acquisition of Amplia Therapeutics	-	-	18,460,308	7,937,932
Placement of shares 14 June 2019	3,600,000	360,000		
Rights issue 31 July 2019	6,847,282	688,931		
Placement of shares 31 August 2019	1,700,000	170,000		
Placement of shares 24 January 2020	13,292,600	930,482		
Other costs	-	(191,484)	-	(12,143)
At end of period	66,463,185	132,903,135	41,023,303	130,945,206

### Shares Issued

During the year a total of 25,439,882 were issued. In 2019 18,460,308 shares were approved for issue by the Company's shareholders for the acquisition of Amplia Therapeutics Pty Limited.

### Options

The Company has on issue 10,353,688 share options to employees, directors and non-employees as at 31 March 2020 (March 2019: 3,270,000).

### Share Based Compensation

The movement in fair value of employee, director and non-employee share options of \$202,835 (2019: \$244,396) corresponds with the amount recorded in expenses during the period and represents the fair value of vested and issued options.

### Share Option Reserve

The share option reserve is used to record the fair value of options as at each reporting date. The values of options are transferred between equity components as they expire/lapse/are exercised.

### Foreign Currency Translation Reserve

The foreign currency translation reserve is used to allow for translation differences on conversion from the functional currency to the presentational currency.

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## 16. FINANCIAL INSTRUMENTS

### Categories of financial instruments, including fair value of financial instruments

The classification of each class of financial assets and liabilities, and their fair values are as follows:

	March 2020		March 2019	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
	\$	\$	\$	\$
<b>Non derivative financial assets</b>				
Loans and Receivables				
(i) Accounts receivable	-	-	-	-
(ii) Other receivables	-	-	-	-
<b>Non derivative financial liabilities</b>				
At Amortised Cost				
(i) Accounts payable and accrued liabilities	510,620	510,620	526,859	526,859

### Financial Risks

The financial risks associated with the Group's financial assets and liabilities include credit risk, interest rate risk, liquidity risk and currency risk.

**Credit Risk** - Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents, investments, loans and receivables. The maximum credit risk is the face value of these financial instruments. However, the Group considers the risk of non-recovery of these accounts to be minimal.

**Maximum Risk Exposure** - The maximum credit risk exposures are the carrying amounts of the financial assets and financial liabilities listed under the "Categories of Financial Instruments, including Fair Value of Financial Instruments" table. No financial assets are either past due or impaired. There are no collateral and other credit enhancements for the financial assets.

**Currency Risk** - Currency risk is the risk of loss to the Group arising from adverse changes in foreign exchange rates. The Group has an Australian dollar presentation currency and is exposed to currency risk in respect of amounts held in foreign currency bank accounts and demand deposits. At 31 March 2020 the Group held NZ\$13,764 (2019: NZ\$97,353), US\$nil (2019: US\$74,954) and Euro 50 (2019: 583) in such accounts and deposits. Should exchange rates strengthen by 10% this would have an impact of A\$1,350 (2019: A\$20,000).

**Interest Rate Risk** - Interest rate risk is the risk of loss to the Company arising from adverse changes in interest rates. The Group has no interest bearing debt and is only exposed to interest rate risk in respect of amounts held in bank current accounts and demand deposits. At 31 March 2020, the Group held \$1,003,754 (2019: \$1,039,309) in such accounts and deposits. A 50 basis points (0.5%) decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For each interest rate movement of 50 basis points lower, assuming all other variables were held constant, the Group's loss for the year would increase by \$5,000 (2019: \$5,200).

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**Liquidity Risk** - Liquidity risk is the risk that the Group will encounter difficulty in raising funds at short notice to meet commitments associated with financial instruments. The Group's non-derivative and derivative financial liabilities have contractual maturities as summarised below:

	Contractual cash flow maturities					
	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
<b>2020 March</b>						
Accounts payable and accrued liabilities	510,620	510,620	510,620	-	-	-
	510,620	510,620	510,620	-	-	-
<b>2019 March</b>						
Accounts payable and accrued liabilities	526,859	526,859	526,859	-	-	-
	526,859	526,859	526,859	-	-	-

On 13 December 2013 all redeemable preferences shares ("RPS"), convertible notes and loans from shareholders were either converted into company shares or were fully repaid. As at 31 March 2020 the Group had no such liabilities other than \$10,614 (2019: \$10,614) of unpaid RPS due to holders not being contactable and accordingly liquidity risk is minimal.

## 17. AUDITORS REMUNERATION

	March 2020	March 2019
	\$	\$
<b>Audit and review of financial statements</b>		
Grant Thornton - Australia	45,000	46,000
<b>Remuneration for audit and review of financial statements</b>	<b>45,000</b>	<b>46,000</b>
<b>Other Services</b>		
Grant Thornton Australia		
Taxation compliance	7,000	13,000
Assistance on preparation of R&D rebate	-	14,000
Overseas Grant Thornton network firms		
Accounting services	-	-
Taxation compliance	-	-
<b>Total other service remuneration</b>	<b>7,000</b>	<b>27,000</b>
<b>Total auditor's remuneration</b>	<b>52,000</b>	<b>73,000</b>

# Amplia Therapeutics Limited

ACN 165 160 841

## 18. EARNINGS PER SHARE

Both basic and diluted earnings per share ("EPS") have been calculated in accordance with paragraph 9 and 18 of AASB 133 using the loss attributable to shareholders of the Group as the numerator (i.e. no adjustments to loss were necessary in 2019 or 2020).

The weighted average number of shares for both basic and diluted EPS in 2020 was 48,470,801 (2019: 39,755,425).

Options have not been included in the weighted average number of ordinary shares outstanding for the purpose of calculating diluted EPS as they do not meet the requirements for inclusion under AASB 133. Options are non-dilutive as the Group result was a loss.

<b>Post Consolidation Basis</b>	<b>March 2020</b>	<b>March 2019</b>
Basic EPS - cents	(4.6)	(4.7)
Diluted EPS - cents	(4.6)	(4.7)

## 19. CAPITAL MANAGEMENT

When managing capital, management's objective is to ensure that the Group has sufficient cash to continue as a going concern. Until such time as the Group produces revenues from sales or out-licensing, cash principally comes from the issue of new securities to new and/or existing shareholders.

When pricing such new share issues, the Board takes into account multiple factors including:

- Market conditions for high risk investments;
- Estimation of current market value of the Group's IP;
- The dilution effect of new issues on existing shareholders; and
- Whether or not the new issue is restricted to existing shareholders.

Management has no plans to pay a dividend to the holders of ordinary shares until, at the earliest, such time as the Company produces internally generated revenues.

The Group is not subject to externally imposed capital requirements.

## 20. SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report or in the Consolidated Financial Statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

# Amplia Therapeutics Limited

ACN 165 160 841

## Directors' Declaration

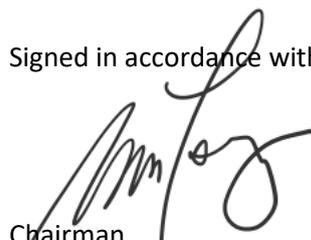
In the opinion of the Directors of Amplia Therapeutics Limited:

- (a) The Consolidated Financial Statements and Notes of Amplia Therapeutics Limited are in accordance with the Corporations Act 2001, including
  - (i) Giving a true and fair view of its financial position as at 31 March 2020 and its performance for the financial year ended on that date; and
  - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that Amplia Therapeutics will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 31 March 2020.

Note 1 confirms that the Consolidated Financial Statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



Chairman  
Warwick Tong



CEO & Managing Director  
John Lambert

Dated the 25th of June 2020

# Independent Auditor's Report

## To the Members of Amplia Therapeutics Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Amplia Therapeutics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 31 March 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

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

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

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$2,219,474 during the year ended 31 March 2020 and as at that date had a closing cash balance of \$1,108,115. As stated in Note 1, these events or conditions, and other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Intangible Assets (Note 6)</b></p> <p>At 31 March 2020, the Group has intangible assets with a book value of \$7,937,932 relating to AMP886 and AMP945 (the drug candidates). There is a risk that the recoverable value of these assets is lower than their current book value and therefore that impairment should be recognised.</p> <p>As intangible assets not yet available for use, the drug candidates are monitored closely for any indicators of impairment and tested at least annually for impairment in accordance with AASB 136 <i>Impairment of Assets</i>.</p> <p>This area is a key audit matter due to the significant judgements involved in assessing the valuation of the assets and whether any impairment has occurred.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining the independent valuation performed and assessing the competency and objectivity of the valuers;</li> <li>• Consulting with our internal expert on the appropriateness of the valuation methodology and key inputs and assumptions;</li> <li>• Evaluating the reasonableness of assumptions used in the independent valuation of each of the drug candidates;</li> <li>• Evaluating management's impairment assessment and testing the underlying assumptions; and</li> <li>• Assessing disclosures in the financial statements for adequacy.</li> </ul>

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

## Responsibilities of the Directors for the financial report

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

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

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 7 to 15 of the Directors' report for the year ended 31 March 2020.

In our opinion, the Remuneration Report of Amplia Therapeutics Limited, for the year ended 31 March 2020 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 25 June 2020