

## Appendix 4E



### 1. Company details

<b>Name of entity:</b>	OncoSil Medical Ltd
<b>ABN:</b>	89 113 824 141
<b>Reporting period:</b>	For the year ended 30 June 2021
<b>Previous period:</b>	For the year ended 30 June 2020

### 2. Results for announcement to the market

				\$
Revenues from ordinary activities	up	100.0%	to	213,070
Other income and interest revenue	down	59.1%	to	1,209,371
Loss from ordinary activities after tax attributable to the owners of OncoSil Medical Ltd	up	144.8%	to	(10,433,523)
Loss for the year attributable to the owners of OncoSil Medical Ltd	up	144.8%	to	(10,433,523)

#### Dividends

There were no dividends paid, recommended or declared during the current financial period.

#### Comments

The loss for the Group after providing for income tax amounted to \$10,433,523 (30 June 2020: \$4,261,895).

Further information on the results is detailed in the 'Review of operations' section of the Directors' report which is part of the Annual Report.

The COVID-19 pandemic has resulted in a delay of full commercial launch which was expected to occur this financial year ending 30 June 2021. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

### 3. Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	1.41	2.63

Right-of-use assets have been treated as intangible assets for the purposes of the tangible asset calculation.

### 4. Control gained over entities

Not applicable.

### 5. Loss of control over entities

Not applicable.

### 6. Dividend reinvestment plans

Not applicable.

## Appendix 4E



### 7. Details of associates and joint venture entities

Not applicable.

### 8. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

### 9. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

### 10. Attachments

*Details of attachments (if any):*

The Annual Report of OncoSil Medical Ltd for the year ended 30 June 2021 is attached.

### 11. Signed

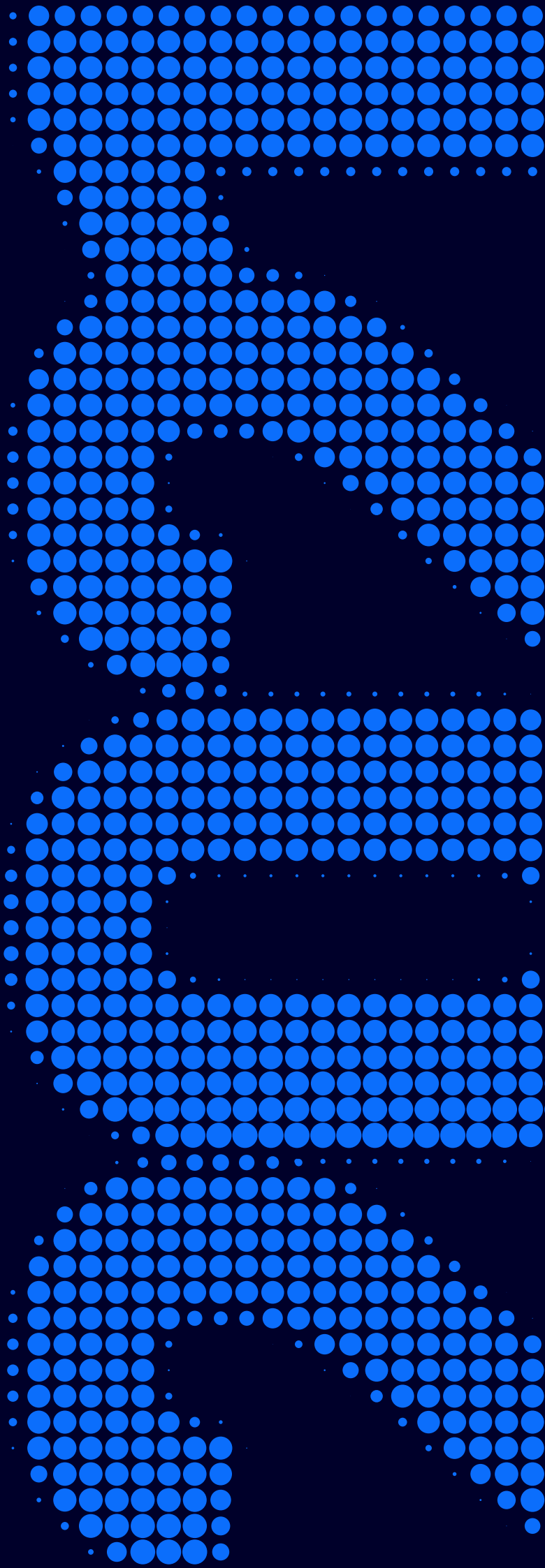
Signed  \_\_\_\_\_

Date: 18 August 2021

**Dr Chris Roberts AO**  
Non-Executive Chairman  
Sydney



# 2021 Annual Report



# Contents



<b>Corporate directory</b>	<b>2</b>
<b>Introduction</b>	<b>3</b>
<b>Chairman’s letter</b>	<b>4</b>
<b>CEO’s Report</b>	<b>5</b>
<b>Forging partnerships to make an impact</b>	<b>6</b>
<b>Looking to the future</b>	<b>7</b>
<b>Investing in excellence and expertise</b>	<b>8</b>
<b>FY21 highlights</b>	<b>9</b>
<b>Directors’ report</b>	<b>10</b>
<b>Auditor’s independence declaration</b>	<b>26</b>
<b>Statement of profit or loss and other comprehensive income</b>	<b>27</b>
<b>Statement of financial position</b>	<b>28</b>
<b>Statement of changes in equity</b>	<b>29</b>
<b>Statement of cash flows</b>	<b>30</b>
<b>Notes to the financial statements</b>	<b>31</b>
<b>Directors’ declaration</b>	<b>59</b>
<b>Independent auditor’s report to the members of OncoSil Medical Ltd</b>	<b>60</b>
<b>Shareholder information</b>	<b>64</b>

# Corporate directory



<b>Directors</b>	Dr Chris Roberts AO Mr Nigel Lange Dr Roger Aston Dr Martin Cross Mr Michael Bassett Mr Otto Buttula
<b>Company secretary</b>	Mr Karl Pechmann
<b>Notice of annual general meeting</b>	The details of the annual general meeting of OncoSil Medical Ltd are: 4pm on Tuesday 19 October 2021
<b>Registered office and principal place of business</b>	Suite 503, Level 5 15 Blue Street North Sydney NSW 2060 Phone: +61 2 9223 3344
<b>Share register</b>	Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000 Phone: +61 2 9290 9600
<b>Auditor</b>	Crowe Sydney Level 15 1 O'Connell Street Sydney NSW 2000
<b>Solicitors</b>	K&L Gates Level 25, South Tower 525 Collins Street Melbourne VIC 3000  Davies Collison Cave 255 Elizabeth Street Sydney NSW 2000
<b>Bankers</b>	Westpac Banking Corporation 341 George Street Sydney NSW 2000
<b>Stock exchange listing</b>	OncoSil Medical Ltd shares are listed on the Australian Securities Exchange (ASX code: OSL)
<b>Website</b>	<a href="http://www.oncosil.com">www.oncosil.com</a>
<b>Corporate Governance Statement</b>	OncoSil Medical Ltd and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. OncoSil Medical Ltd has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council.  Details of the corporate governance report is available on the Group website at <a href="http://www.oncosil.com/global/investors/governance">www.oncosil.com/global/investors/governance</a>



# Introduction

OncoSil Medical is a global medical device company focused on Interventional Oncology. Our mission is to improve the outcomes for people living with cancer by utilising the selected and targeted intratumoural placement of Phosphorous-32 ( $^{32}\text{P}$ ) Microparticles in combination with chemotherapy.

OncoSil™ is our brachytherapy device. Its targeted approach enables healthcare professionals to deliver a greater radiation dose directly into the tumour compared to external beam radiotherapy, while sparing surrounding critical organs<sup>1</sup>.

**We believe in our technology and its ability to have a truly positive impact in Oncology.**

Reference:

1. Skowronek J, J Contemp Brachytherapy 2017; 9: 581-589.

# Chairman's letter



## Dear Fellow Shareholders,

On behalf of the OncoSil Medical Board, it gives me great pleasure to present our 2020-2021 Annual Report for OncoSil Medical.

The year has been marked by significant changes to our executive management team as we build capability, given we now have CE mark approval. We welcomed Mr Nigel Lange as Chief Executive Officer and Managing Director of the Company, replacing Mr Daniel Kenny and bringing over 30 years of experience in the medical devices and pharmaceutical industries. Prior to joining us as President EMEA in mid-2020, Nigel was Chief Executive Officer of Sirtex Medical's European business and directly oversaw the expansion of its brachytherapy device to over 300 centres across Europe and the Middle East. We look forward to enjoying similar success under his leadership.

Nigel's key appointments include: Chief Medical Officer (Dr. Ralph Peters), Global Head of Medical Affairs (David Turner), Director of Access, Reimbursement, Economics and Assessment EMEA (Olaf Michaelsen) and Director Global Clinical Affairs (Henk Tissing). OncoSil has a very experienced team for commercialising our technology, including the skills relevant to obtaining public reimbursement.

With the change in CEO now implemented, it was an appropriate time to renew the Board, and we were pleased to appoint Mr Otto Buttula to the Board and becoming Chairman-Elect until I step down as Chair at this year's AGM. Mr. Buttula brings sectorial experience in finance and technology as well as Board experience in biotechnology. It has been an honour to serve as your Chairman and I wish the company every success. As Mr Buttula shares a similar skill set, Mr Mike Bassett has also decided to step down from the board at the AGM, providing a further opportunity to add new board members with additional skills.

The business has hit several important commercial milestones throughout the year. In October 2020 we achieved first revenues when a patient in New Zealand was implanted with the OncoSil™ device, marking a key step towards becoming a revenue generating medical device company. The success of this milestone has been somewhat muted by the lingering effects of COVID-19, which have caused disruptions and delays to OncoSil's global sales strategy and planned product launch. A post-COVID return to normality will see increased patient screening for the OncoSil™ device.

Despite COVID-19 headwinds, we continue to push forward key support workstreams such as the OSPREY registry and obtaining regulatory approval in Malaysia, Switzerland, Turkey, Israel and Hong Kong this year. We have also been building on our Humanitarian Device Exemption (HDE) application, which if successful will allow OncoSil to market and sell its device in the US for the treatment of distal cholangiocarcinoma, a form of bile duct cancer. We also provided an update on further positive results from our PanCO trial, including findings that treatment with the OncoSil™ device has the potential to 'convert' patients from being initially inoperable to a surgically operable state. We are continually working to develop a clinical pathway to support public reimbursement initiatives and treatment adoption, all critical to OncoSil's long-term growth plans.

Finally, on behalf of the Board, I would like to take this opportunity to thank our Chief Executive Officer, Nigel Lange, my fellow Board directors and the entire OncoSil management team for their outstanding contribution. We look forward to the coming year and as we continue to make a difference through our critical mission of transforming the prognosis of pancreatic cancer.

Sincerely

A handwritten signature in black ink, appearing to read "Chris Roberts".

**Dr Chris Roberts, AO**  
Chairman – OncoSil Medical Limited



## CEO's Report

In 2021, OncoSil Medical pushed forward with commercialisation plans for our lead device, OncoSil™. Progress has been made on several fronts including the strengthening of our leadership team. The company is now in a stronger position to develop and execute on its strategic objectives related to the further clinical development of the technology. This will allow for advancement of the commercial objectives as it serves to develop a body of evidence in support of public reimbursement in major targeted markets. Furthermore, the Company has enjoyed numerous regulatory milestones over the past year marking our continued efforts in bringing the OncoSil™ device to market.

## Team

A key priority in 2021 was to strengthen our leadership team and position the Company with the best possible talent with solid track records in the oncologic space. Following my own appointment as CEO in January 2021, we have built out our senior leadership team with several key hires including Chief Medical Officer (Dr. Ralph Peters), Global Head of Medical Affairs (David Turner), Director of Access, Reimbursement, Economics and Assessment EMEA (Olaf Michaelsen) and Director Global Clinical Affairs (Henk Tissing). The collective years of commercial and clinical experience shared between these key hires will be invaluable to OncoSil as we progress our global commercialisation strategy.

## EMEA and APAC

In October 2020, OncoSil Medical took its first step towards becoming a revenue generating company by achieving first sales with a patient from New Zealand. Despite this significant achievement, COVID-19 continued to disrupt our wider commercialisation strategy and site activation efforts as hospitals prioritised their pandemic response resulting in a significant reduction in patient screening. In the face of further COVID-19 disruptions, The UK has continued to progress through the final stages of onboarding and training further hospitals that have received ethics approval from the Health Research Authority (HRA) and the Research Ethics Committee (REC). Our regulatory team has been successful at receiving regulatory clearance in Malaysia, Switzerland, Turkey, Israel and Hong Kong during the year.

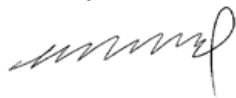
## United States

OncoSil has been progressing the submission for a Humanitarian Device Exemption (HDE) to the US Food and Drug Administration (FDA) to use the OncoSil™ device in the treatment of distal cholangiocarcinoma (bile duct cancer). Despite the challenges arising from COVID delaying the close-out of the PanCO study, the Company has made progress over the past year with the HDE submission. In addition, having received the breakthrough designation in LAPC (locally advanced pancreatic cancer) for the OncoSil™ device, the Company has been able to dialogue with and seek guidance from the US FDA on its clinical development strategy to ensure congruence with the agency's expectations.

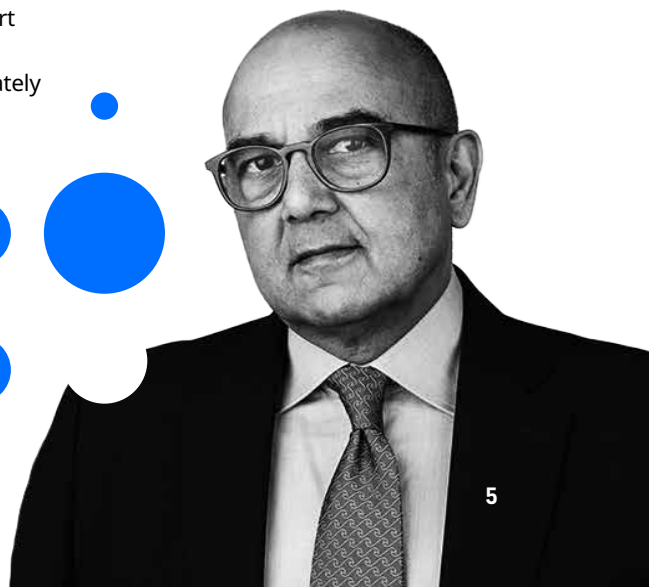
## Financial Position

As of 30 June 2021, OncoSil Medical had a cash balance of \$12.2 million. Over the year, the Company's net cash used in operations was \$8.8 million, with \$2.9 million invested in R&D activities. Finally, we appreciate that the path to commercialisation is not simple or direct and would like to thank our shareholders for their continued support of our Company. I look forward to building on our achievements in 2021 and entering an exciting new stage for growth in 2022 with our device and ultimately achieving our goal of improving patient outcomes in pancreatic cancer.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nigel Lange'.

**Nigel Lange**  
Chief Executive Officer  
OncoSil Medical Limited





# Forging partnerships to make an impact

At OncoSil Medical, we are committed to making a meaningful difference for patients in what is often called the silent killer.

OncoSil™, our Brachytherapy device is designed to target the tumour directly, by delivering 100 Gy over 81 days, whilst sparing damage to healthy tissue. OncoSil™ is intended to be used in combination with chemotherapy.

Our current data has shown that the OncoSil™ device, when used in conjunction with chemotherapy, has resulted in the downstaging of patients with unresectable locally advanced pancreatic cancer to resection with curative intent.<sup>1</sup>

Partnering with key healthcare professionals is key to enabling access to, and adoption of, our technology can work to redefine the treatment options for such patients.

## An interview with Dr Zarni Win

Chief of Service Nuclear Medicine & Consultant Radiologist at The London Clinic, UK.

UK Oncological therapies in Nuclear Medicine and the future of delivering these therapies.

**Q: The delivery of oncological medicine in nuclear medicine is relatively new, as a nuclear medicine physician, how do you see this changing in the future?**

A: Within the wider community of medicine, the field of radionuclide therapy is a very new and innovative therapy even though it has been around for over half a century but the delivery of this type of therapy such as OncoSil™, is very different to what we have been doing in the past. The OncoSil™ device is very different compared to recent therapies like selective internal radiation which is delivered through the artery for liver cancer. OncoSil™ is delivered directly into the tumour which is ground-breaking. It has been done experimentally, but nothing of the sort has been performed and taken to the commercial space and passing through the regulatory phases. This is quite an exciting field of nuclear medicine mainly because companies like OncoSil and other big companies are coming into the space of nuclear medicine therapy which has never happened before, and that is really driving forward this field of radionuclide therapy and I think this will be big within the next 5-10-15 years.

**Q: What does nuclear medicine bring to the oncological space that the other specialities do not?**

A: I think the direct comparison is with oncology radiotherapy, whereas the radiotherapist is shooting in radiation externally from a machine through the body to where the cancer is. The dose or the activity is limited because it damages the tissues surrounding the tumour so you will always be limited by the maximum dose of radiation you can deliver with external beam radiotherapy, whether that is super precise or not. Nuclear medicine is way more targeted compared to external beam radiotherapy and it can deliver significantly higher targeted radiation to the tumour. So that is the biggest advantage of radionuclide therapy compared to other parts of medicine. Nuclear medicine is also a bridge to newer immunotherapy, chemotherapies and radiotherapies where you can target as accurately as you can with immunotherapy but deliver higher doses compared to external beam.

**Q: What do you think the PanCO data could mean in the future for patients with unresectable locally advanced pancreatic cancer?**

A: I find its quite significant and what's significant is the doubling of downstaging and potential curative surgery to almost 1 in 4 patients from only 12% with standard therapy.

**Q: How do you feel about being able to offer this new treatment to patients?**

A: It's very exciting and fills me with optimism especially as there has not been any significant development for pancreatic patients for over a decade, so OncoSil™ to me offers the patients something new and give my patients a chance undergo potential curative surgery.



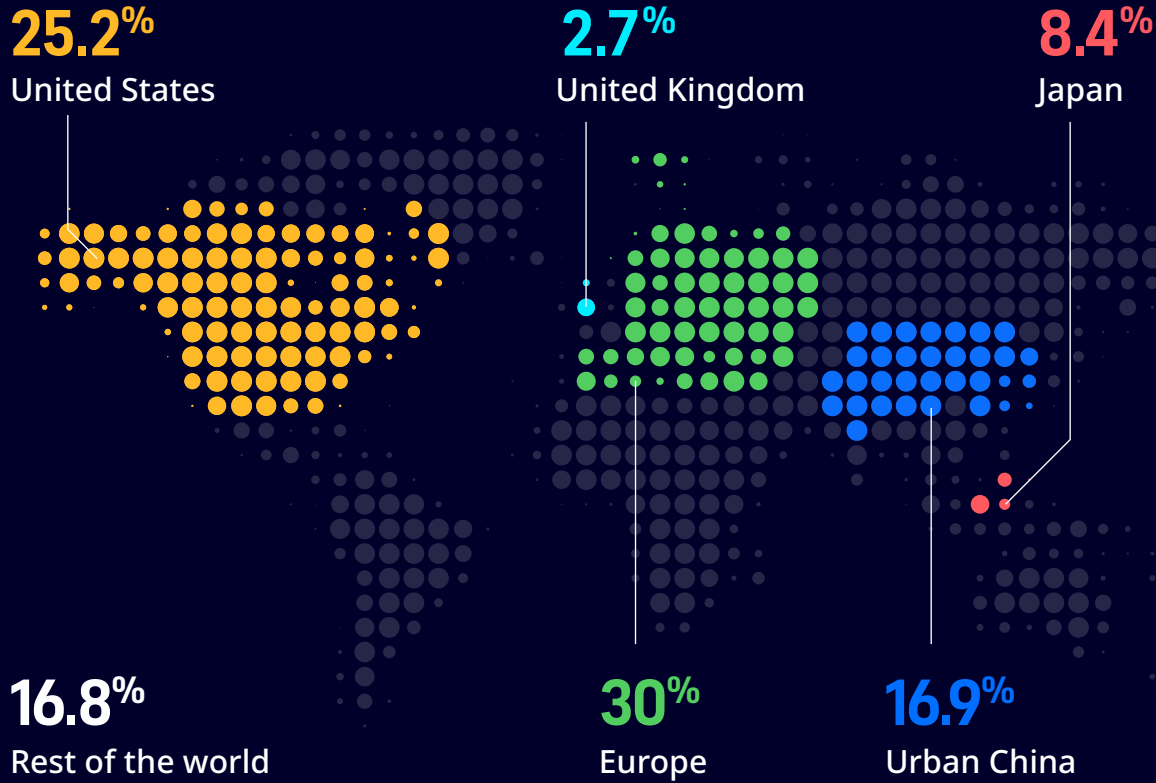
References:

1. Ross P et al. Presented at the ESMO World Congress on Gastrointestinal Cancer; Ann Oncol 2020; 31 (Suppl 3); Abs. O-1

# Looking to the future

## Addressable market

(pancreatic cancer incidence by region)



## Projected net increase in incidence rates (% 2021-2029)

11.6%	13.39%
France	UK
8%	17.8%
Germany	USA
10%	9.0%
Italy	Japan
16.4%	41.7%
Spain	Urban China

## Where we have approvals

○ FY21 approvals



\* Data taken from GlobalData 2020 Pancreatic Cancer: Opportunity Analysis and Forecasts to 2029

# Investing in excellence and expertise



Our continuing focus upon the treatment of Pancreatic Cancer as an area of unmet need enabled us to reach a major milestone in 2020, when the OncoSil™ device achieved CE Marking Approval. This event fell at an unmistakably remarkable time, as the world was impacted by the rapid and escalating onset of the global COVID-19 pandemic.

The overall impact of this time has been and will continue to be catastrophic and life limiting for patients as the cancer continuum experiences interruption and delays to screening, diagnosis and treatment.<sup>1,2</sup> This has brought us to a critical inflection point – our conclusion has been that companies who act with purpose will have impact beyond this moment and create lasting change.

As the events of COVID-19 unfolded, we knew that we needed to press ahead in any event, and took bold steps to expand the global OncoSil Medical team, bringing in expertise to really accelerate our clinical and commercial activities and positioning us to act smarter, faster and more efficiency as the wider community becomes vaccinated and lockdowns begin to ease.

We have carefully identified and invested in the most talented people in our industry, specifically in people with expertise in radionuclide microparticles for cancer treatment and who have existing and long-standing relationships with our key industry and internal stakeholders. Over the past year, we have grown the team to start the commercialisation process across Europe with a total of 9 team members operating in 5 key markets. As the majority of the team has been intermittently in lockdown due to the continuing COVID-19 pandemic, they have had to adapt and work virtually in partnership with our stakeholders to take all necessary actions for site set-up. This includes the preparation of the OSPREY registry, <sup>32</sup>P licence applications and training the multidisciplinary team on the necessities of the procedure all in preparation for the first commercial patient cases.

**We have carefully identified and invested in the most talented people in our industry, specifically in people with expertise in radionuclide microparticles**

Our new Marketing Director has launched a multifaceted strategy across virtual and in-person communication and events to engage the HCP community in thought-provoking clinical conversations that drive the utilisation of OncoSil™ for unresectable locally advanced pancreatic cancer. There has been a shift towards creating more digital touch-points with customers and shifting investment in digital media and digital detailing to further strengthen our go-to-market model. As some degree of restricted access to hospitals and customers is likely to continue, this model will create an opportunity to engage physicians remotely.

Our Global Regulatory and Quality department has expanded over the last financial year, principally to accommodate an ambitious schedule of regulatory submissions required for the OncoSil™ technology and to facilitate the post-market needs of the regulator. In addition to this, the regulatory landscape for medical device technology changes frequently and there is also a need to consider the future clinical strategy requirements impacting the company and hence resource the team accordingly. This included the need to meet new regulations in existing markets, as well as in future intended markets. The enhanced team includes skilled professionals with experience at a global level in medical device regulatory affairs and quality. The team has a diverse background which includes experience in physics, nursing, law, business development and consultancy.

Our new Director of Global Clinical Affairs has been actively meeting with national and international opinion leaders on the topic of pancreatic cancer to gain further insights on international and local needs and to put together a robust clinical development plan to combine not only our regulatory requirements in opening up new markets for expansion, but to also address the most important clinical outcome parameters the medical community is seeking to improve in this underserved disease. These are the first steps towards a path for recognition in scientific guidelines as a research tool and to one day become an accepted standard treatment option for pancreatic cancer.

As we look towards the start of FY22, our position post pandemic is intended to be one of strength and preparedness.

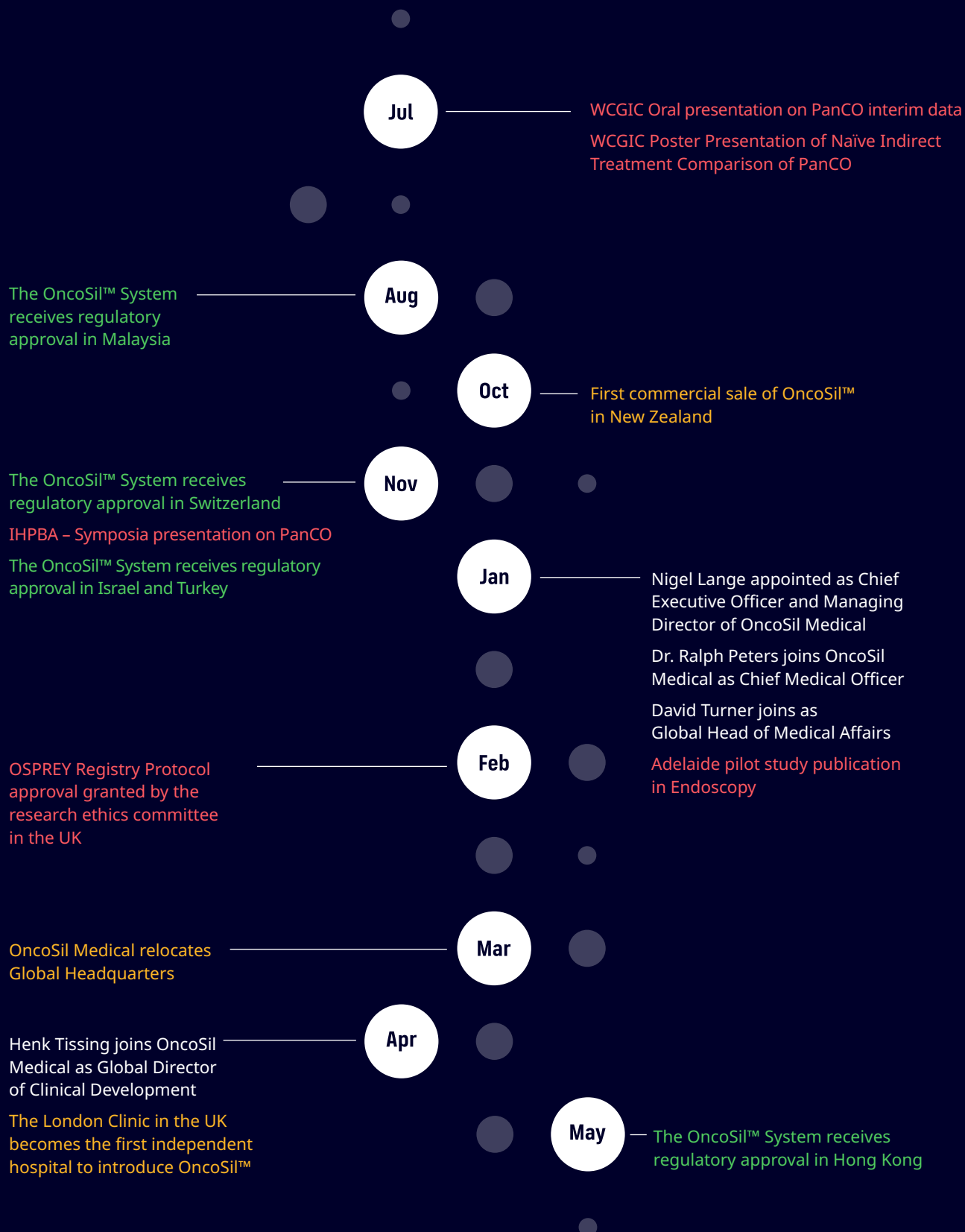
<sup>1</sup> Chan A, Ashbury F, Fitch MI, Koczwara B, Chan RJ, MASCC Survivorship Study Group. Cancer survivorship care during COVID-19-perspectives and recommendations from the MASCC survivorship study group. Support Care Cancer2020;28:3485-8. doi:10.1007/s00520-020-05544-4 pmid:32451702

<sup>2</sup> The Lancet Oncology. COVID-19: global consequences for oncology. Lancet Oncol2020;21:467. doi:10.1016/S1470-2045(20)30175-3 pmid:32240603

# FY21 highlights

A year of transition from clinical  
Development to commercialisation

- Clinical data
- Commercial expansion
- Regulatory approvals



## Directors' report



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of OncoSil Medical Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

### Directors

The following persons were directors of OncoSil Medical Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr Chris Roberts AO – Non-Executive Chairman (Executive Chairman between 2 December 2020 and 21 January 2021)

Mr Nigel Lange – Chief Executive Officer and Managing Director (appointed on 21 January 2021)

Dr Roger Aston – Non-Executive Director

Dr Martin Cross – Non-Executive Director

Mr Michael Bassett – Non-Executive Director

Mr Otto Buttula – Non-Executive Director (appointed on 20 July 2021)

Mr Daniel Kenny – Chief Executive Officer and Managing Director (resigned as Director on 18 December 2020)

### Information on directors

<b>Name:</b>	<b>Dr Chris Roberts AO</b>
<b>Title:</b>	<b>Non-Executive Chairman</b>
<b>Qualifications:</b>	BE(Hons), MBA, PhD, Hon DSc(Macq), Hon DSc(UNSW), FTSE, FAICD, Hon FIEAust
<b>Experience and expertise:</b>	Dr Roberts AO is a highly experienced director and senior executive with over 44 years' experience in the medical innovation space. He was CEO/President of Cochlear Limited (ASX: COH) from February 2004 to August 2015. He was also Chairman of Sirtex Medical Ltd (ASX: SRX), from March 2000 to December 2002, and was Executive Vice-President of global sleep disorder treatment company ResMed Inc (NYSE: RMD, ASX: RMD) from 1992 to 2004. Dr Roberts AO also sits on the boards of a number of other entities and groups including; Clarity Pharmaceuticals Limited, Atmo Biosciences Pty Ltd and O'Connell Street Associates.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	ResMed Inc. (NYSE:RMD, ASX:RMD)
<b>Special responsibilities:</b>	Member of the Nomination and Remuneration Committee and member of Audit and Risk Committee
<b>Interests in shares:</b>	5,681,819 ordinary shares

## Directors' report



<b>Name:</b>	<b>Mr Nigel Lange</b>
<b>Title:</b>	<b>Chief Executive Officer and Managing Director</b>
<b>Qualifications:</b>	BA, B.Comm
<b>Experience and expertise:</b>	Nigel joined the Company in May 2020 as EMEA President, and brings with him over 30 years of experience in the medical devices industry. Since 2003, Nigel has held various leadership roles with Sirtex Medical, a global leader in brachytherapy treatment for liver cancer. From 2003, Nigel served as Chief Executive Officer of Sirtex's European business, responsible for establishing their brachytherapy device in over 300 centres across Europe and Middle East. Since 2017, Nigel served as Group Chief Commercial Officer where he was responsible for all commercial aspects of the global business. During this time, Nigel has also held interim roles including Interim Group CEO and Interim CEO of Asia Pacific.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of the Nomination and Remuneration Committee and member of Audit and Risk Committee
<b>Interests in shares:</b>	5,718,303 ordinary shares (5,718,303 performance dependent loan shares under ESP)

<b>Name:</b>	<b>Dr Roger Aston</b>
<b>Title:</b>	<b>Non-Executive Director</b>
<b>Qualifications:</b>	B.Sc (Hons) and Ph.D. (Manchester)
<b>Experience and expertise:</b>	Dr Aston is a scientist and seasoned biotechnology entrepreneur. He has been closely involved in start-up companies and major pharmaceutical companies. Aspects of his experience include FDA and EU product registration, clinical trials, global licensing agreements, fundraising through private placements, and a network of contacts within the pharmaceutical, banking and stock broking sectors. Dr Aston has also held Directorships/Chairmanships with Clinuvel Ltd, HalcyGen Ltd, Regeneus Ltd and Ascent Pharma Ltd, and was a member of the AusIndustry Biological Committee advising the Industry Research and Development Board. Furthermore, Dr Aston was Executive Chairman of Mayne Pharma Group from 2009 to 2011 and later, CEO of Mayne Pharma Group.
<b>Other current directorships:</b>	Chairman of: Immuron Limited (ASX: IMC), ResApp Health Limited (ASX: RAP), PharmAust Ltd (ASX: PAA) and its subsidiary Pitney Pharmaceuticals Pty Ltd
<b>Former directorships (last 3 years):</b>	Regeneus Limited (ASX: RGS)
<b>Special responsibilities:</b>	Member of the Nomination and Remuneration Committee and Chairman of the Audit and Risk Committee
<b>Interests in shares:</b>	12,654,416 ordinary shares

## Directors' report



<b>Name:</b>	<b>Dr Martin Cross</b>
<b>Title:</b>	<b>Non-Executive Director</b>
<b>Qualifications:</b>	B.SC (Hons) and Ph.D. (Aberdeen) FAICD
<b>Experience and expertise:</b>	Dr Cross is a highly regarded pharmaceutical executive with over 35 years' experience including corporate and industry leadership roles directly influencing healthcare policy and government legislation in Australia and global business management, marketing and sales roles. From 2013 to 2015, Dr Cross was Chairman of Medicines Australia, the country's peak body representing the research based pharmaceutical industry in Australia. Prior to leading Medicines Australia, from 2010 to 2013 Dr Cross was Chairman of both the Generics Medicine Industry Association and Pharmaceutical Industry Council. During this time, Dr Cross was also Managing Director of Alphapharm in Australia and New Zealand, with responsibility for 750 employees and sales of over US \$500m per annum. From 2003 to 2008, Dr Cross was Country Head and Managing Director of Novartis Australia and New Zealand, and Head of Global Marketing and Sales Capabilities from 2001 to 2003, based in Switzerland.
<b>Other current directorships:</b>	Non-Executive Director Cellmid Limited (ASX:CDY)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Committee
<b>Interests in shares:</b>	2,905,000 ordinary shares

<b>Name:</b>	<b>Mr Michael Bassett</b>
<b>Title:</b>	<b>Non-Executive Director</b>
<b>Qualifications:</b>	B.Econ, member of the Australian Institute of Company Directors.
<b>Experience and expertise:</b>	Mr Bassett has over 25 years' experience in capital markets and has held senior management roles at Australia's leading fund management and investment banking firms. His career focus involved analysing, advising and investing in small-cap ASX-listed companies with strong prospects for shareholder value creation. Mr Bassett currently works as SVP Corporate and Strategic Development for ASX listed medical device company ImpediMed Limited. Prior to this he worked for Market Connect, a consultancy business focusing on small-cap ASX listed companies, Portfolio Manager for the successful Regal Australian Small Companies Fund with a significant focus on Life Science companies and has held senior management positions within Credit Suisse's Institutional Equities business, Deutsche Asset Management and Merrill Lynch.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	Silver Heritage Limited (ASX: SVH)
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	1,116,000 ordinary shares

## Directors' report



<b>Name:</b>	<b>Mr Otto Buttula</b>
<b>Title:</b>	<b>Non-Executive Director</b>
<b>Qualifications:</b>	B. Ec. Grad Dip. SIA, FAICD
<b>Experience and expertise:</b>	Mr Buttula has had extensive experience and success in investment research, funds management, information and bio-technologies and has held directorships in a number of public companies. Mr Buttula's executive experience includes co-founder and CEO and Managing Director of IWL Limited, an online financial services company that listed on the ASX in 1999. The company grew from a market capitalisation of \$48 million at listing before a takeover in 2007 by Commonwealth Bank of Australia for \$373 million. Mr Buttula also founded and was Managing Director of Investors Mutual, prior to which he was a co-founder and director of Lonsdale Securities Limited. Following his completion of executive duties, Mr Buttula was Non-Executive Chairman of platform and stockbroking provider Investorfirst Limited and led the acquisition of HUB24 Limited (ASX: HUB). More recently, he served on the Board as a Non-Executive Director and Head of Audit and Risk at Imugene Limited (ASX: IMU) between 2014 and 2016 and currently is the Non-Executive Chairman of Rhythm Biosciences (ASX: RHY) and HITIQ Limited (ASX: HIQ).
<b>Other current directorships:</b>	Non-Executive Chairman of Rhythm Biosciences (ASX: RHY) and HITIQ Limited (ASX: HIQ)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	30,000,001 ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company secretary

Mr Karl Pechmann is the current company secretary.

Mr Pechmann was CFO and company secretary of a regulatory technology company, Kyckr Limited (ASX: KYK). His previous roles include Finance Director with ASX listed biotech company, Immutep Limited (ASX: IMM) and has held senior finance roles at both ASX-listed and multinational organisations.

### Principal activities

The principal activities of the Group during the financial year focused on the development and commercialisation of its lead product candidate, the OncoSil™ localised radiation therapy for the treatment of pancreatic and bile duct cancer.

### Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

### Review of operations

The loss for the Group after providing for income tax amounted to \$10,433,523 (30 June 2020: \$4,261,895).



## Directors' report



The COVID-19 pandemic has resulted in a delay of full commercial launch which was originally expected to occur this financial year (ended 30 June 2021). It is difficult to estimate the precise extent of the negative impact that the pandemic will have on the business moving forward. OncoSil Medical is an ASX-listed medical device company which has developed a breakthrough<sup>1,2</sup> implantable internal radiation (brachytherapy) device for patients with pancreatic and bile duct cancer. The OncoSil™ device has CE Marking approval for the treatment of locally advanced pancreatic cancer in combination with gemcitabine-based chemotherapy.

Throughout the year ended 30 June 2021, OncoSil continued to progress its commercialisation activities across Europe, US and Asia Pacific. Progress has been made on multiple fronts, including the strengthening of our leadership team which is now poised to advance the Company's commercialisation and clinical pathways.

In Europe, OncoSil continues to undertake the necessary activities and approvals following CE Mark approval to enable commercialisation. This includes establishing the OSPREY patient registry, a post-marketing observational study required as part of the CE Marking Approval, as well as other necessary approvals which vary by hospital, state, country or region.

Outside of Europe, OncoSil achieved a significant milestone recording its first commercial sale with a patient being implanted with the OncoSil™ device in New Zealand. In the US, OncoSil continues to proactively engage with the U.S Food and Drug Administration ('FDA') regarding the Humanitarian Device Exemption ('HDE') submission. Having made the strategic decision to withdraw our application with the Therapeutic Goods Administration (TGA) in Australia, OncoSil continues to engage hospitals in the APAC regions where the OncoSil™ device is approved.

### The key developments and other highlights for the 2021 financial year are as follows:

- Strong leadership team in place with the appointment of Nigel Lange as CEO and other key hires consisting of Chief Medical Officer (Dr. Ralph Peters), Head of Medical Affairs (David Turner), Director of Access Reimbursement, Economics and Assessment (Olaf Michaelsen) and Director of Clinical Development (Henk Tissing).
- First revenues achieved when the first commercially treated patient from New Zealand was implanted with the OncoSil™ device, marking the initial step towards becoming a revenue-generating medical devices company.
- Additional regulatory clearance were achieved in several geographies, despite significant COVID-19 disruptions.
- Patient screening commenced at The London Clinic in the UK, and ethics approval from the Health Research Authority (HRA) and Research Ethics Committee (REC) granted for a further eight sites. OncoSil is progressing through the final stages of onboarding and training these sites.
- Progress made on OncoSil Medical's Humanitarian Device Exemption (HDE) application to the US Food and Drug Administration (FDA) with respect to the treatment of distal cholangiocarcinoma (bile duct cancer). The Company is working on providing the FDA with additional data involving a more recent cut-off point. The HDE will mark an important milestone in the Company's commercialisation strategy if successful.
- Further positive results generated from the PanCO trial, where it was found that treatment with the OncoSil™ device has the potential to 'convert' some patients from an initially inoperable to a surgically operable state thus offers a potentially curative outcome with prolonged survival.

### Financial position and performance

OncoSil had a cash balance of \$12.2 million as at 30 June 2021. During the year, OncoSil made modest inaugural revenue from the sale of the OncoSil™ device of \$213k in Australia and New Zealand.

Recognised income from the Research and Development tax incentive in 2021 was \$1,077,202 compared to \$2,763,475 in 2020, reflecting lower Research and Development expenses and a higher proportion of activities being directed towards commercial activities.

Employee benefits expenses increased to \$5,294,509 in 2021 compared to \$3,539,643 in 2020 as OncoSil made key appointments in sales, reimbursement and clinical resources to assist in commercialisation.

## Directors' report



### Significant changes in the state of affairs

On 2 December 2020, Mr Daniel Kenny was terminated as Chief Executive Officer of the Company and Mr Nigel Lange was appointed as Chief Executive Officer on 21 January 2021. For the period 2 December 2020 through to 21 January 2021, Dr Chris Roberts AO acted in the role of Executive Chairman, and resumed his role as Non-Executive Chairman upon Mr Nigel Lange's appointment.

On 18 December 2020, 28 January 2021 and 10 May 2021 42,120,334 loan funded shares were cancelled (23,581,872; 8,538,462 and 10,000,000 respectively).

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

### Matters subsequent to the end of the financial year

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### Likely developments and expected results of operations

The Company is currently progressing its manufacturing capabilities, supply chain and sales and marketing infrastructure to achieve first commercial sales in the European Union and the United Kingdom, as well as seeking to obtain marketing approval in markets which recognise the CE Mark. The CE Marking approval requires the Company to conduct a post marketing surveillance program which requires approvals at hospital sites and at a country level. The Company has a Humanitarian Device Exemption (HDE) submission pending with the United States Food and Drug Administration (FDA) for the use of the OncoSil™ device for the treatment of distal cholangiocarcinoma (bile duct cancer). A Global Pivotal Clinical Study will be undertaken, aimed at supporting a pre-marketing application in the United States in future years for pancreatic cancer. There can be no guarantees that in the future we will achieve these regulatory approvals, or on the basis sought by the Company, and there are no guarantees of the rate of enrolment of the Pivotal Clinical Study or the outcome of clinical results.

### Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Directors' report



### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Dr Chris Roberts AO	8	8	1	1	1	1
Mr Nigel Lange	4	4	1	1	-	-
Dr Roger Aston	8	8	1	1	1	1
Dr Martin Cross	8	8	1	1	1	1
Mr Michael Bassett*	8	8	-	-	-	-
Mr Daniel Kenny	3	3	-	-	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

\* Although Mr Bassett was not a formal member of the Nomination and Remuneration Committee and the Audit and Risk Committee, he attended both meetings on the invitation of the Chair of the committees.

### Remuneration report (audited)

The remuneration report, which has been audited, details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

#### Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure the remuneration package properly reflects each person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

## Directors' report



The Nomination and Remuneration Committee ('NRC') is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The NRC has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has considered that the reward framework is designed to align to shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- aligning the interests of executives with those of shareholders;
- linking reward with the strategic goals and performance of the Group; and
- ensuring total remuneration is competitive by market standards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### ***Non-executive directors' remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the NRC. The NRC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive directors are also entitled to government statutory superannuation guarantee contribution. They may also be granted shares, aligning their interests with those of the shareholders.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 26 November 2015, where the shareholders approved a maximum annual aggregate director's fees payable to non-executive directors of \$500,000.

### ***Executive remuneration***

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

## Directors' report



### **Structure**

Executive directors are contracted to the Group either on a consultancy basis with remuneration and terms stipulated in individual consultancy arrangements or pursuant to an employment contract with remuneration and terms stipulated in individual employment agreements.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the NRC based on individual and business unit performance, the overall performance of the Group and comparable market remuneration.

Executives are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdle of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. In particular, all executive directors and other KMP may be entitled to annual bonuses payable upon the achievement of annual corporate or profitability measures. The Group seeks to emphasise payment for results through providing various cash bonus reward schemes, specifically the incorporation of incentive payments based on achievement of approved targets.

The long-term incentives ('LTI') include long service leave and share-based payments. Currently limited recourse loans are awarded to executives in order for the executive to subscribe for ordinary shares in the Company under the OncoSil Employee Share Plan. These performance dependent loan shares will vest upon achieving of long-term KPI's as agreed with the executive, measured over terms varying from three to five years. These KPI's include, but are not limited to, an increase in shareholders' value, revenue targets or meeting regulatory and clinical measures. The NRC reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2021.

### **Group performance and link to remuneration**

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the NRC. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

### **Use of remuneration consultants**

The Group did not engage the use of a remuneration consultant during the financial year ended 30 June 2021.

### **Voting and actions following the Company's 2020 Annual General Meeting ('AGM')**

At the 2020 AGM, 62% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. As more than 25% of the eligible votes were cast against the Remuneration Report the Company received a "first strike". Following the AGM, the Board took the shareholder concerns seriously and proactively engaged and received feedback from many shareholders to understand their concerns.

As a consequence, the Board made changes to the Executive Team during the year, with Nigel Lange being appointed CEO and Managing Director of OncoSil following the termination of Daniel Kenny.

In addition, following on from the extensive remuneration benchmarking work and the report from the Godfrey Remuneration Group completed in May 2018, the NRC conducted further comparative reviews of KMP remuneration levels against the market especially for the new appointments.

The Company's Long Term Incentive scheme has been structured to align KMP interests with shareholders by having all vesting conditions subject to Total Shareholder Return hurdle rates. In FY22, the Company intends, subject to shareholder approval, to replace the performance dependent loan shares with options to further align long term reward with shareholders' interests.

## Directors' report



Clearly whilst listening and acknowledging the feedback from shareholders, the Board must also consider how to balance the need for remuneration plans to engage and fairly reward Executive KMP for their contribution to the business's long-term success and driving shareholder value.

### Details of remuneration

#### Amounts of remuneration

The KMP of the Group consisted of the directors of OncoSil Medical Ltd and the following persons:

- Mr Karl Pechmann – Chief Financial Officer and Company Secretary

Details of the remuneration of KMP of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled options	Equity-settled shares	
2021	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors:</b>								
Dr Chris Roberts AO (chairman) *	80,000	-	-	-	-	-	-	80,000
Dr Roger Aston	73,059	-	-	6,941	-	-	(53,000)	27,000
Dr Martin Cross	73,059	-	-	6,941	-	-	-	80,000
Mr Michael Bassett*	80,000	-	-	-	-	-	-	80,000
<b>Executive Directors:</b>								
Mr Nigel Lange**	359,038	32,109	-	-	-	-	126,241	517,388
Mr Daniel Kenny***	542,558	-	-	13,344	-	-	(460,922)	94,980
<b>Other KMP:</b>								
Mr Karl Pechmann	255,000	16,000	-	25,745	-	-	14,679	311,424
	1,462,714	48,109	-	52,971	-	-	(373,002)	1,190,792

\* The remuneration payments to Dr Chris Roberts and Mr Michael Bassett were made to their director-related entities, Robertspan Pty Ltd and Market Connect Australia Pty Ltd, respectively.

\*\* Represents remuneration for the whole financial year, including the period before his appointment as CEO on 21 January 2021.

\*\*\* Represents remuneration for the period from 1 July 2020 to date of resignation 18 December 2020.

## Directors' report



	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments			Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled options	Equity-settled shares		
2020	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Non-Executive Directors:</b>									
Dr Chris Roberts AO (chairman) *	80,000	-	-	-	-	-	(653,063)	(573,063)	
Dr Roger Aston	73,059	-	-	6,941	-	-	(21,075)	58,925	
Dr Martin Cross	73,059	-	-	6,941	-	-	-	80,000	
Mr Michael Bassett*	80,000	-	-	-	-	-	-	80,000	
<b>Executive Directors:</b>									
Mr Daniel Kenny	492,404	156,800	-	31,920	-	-	(954,705)	(273,581)	
<b>Other KMP:</b>									
Mr Karl Pechmann	71,970	12,500	-	8,025	-	-	-	92,495	
Mr Tom Milicevic	169,857	-	-	9,278	-	-	(233,400)	(54,265)	
	1,040,349	169,300	-	63,105	-	-	(1,862,243)	(589,489)	

\*The remuneration payments to Dr Chris Roberts and Mr Michael Bassett were made to their director-related entities, Robertspan Pty Ltd and Market Connect Australia Pty Ltd, respectively.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2021	2020	2021	2020	2021	2020
<b>Non-Executive Directors:</b>						
Dr Chris Roberts AO	100%	100%	-	-	-	-
Dr Roger Aston	100%	100%	-	-	-	-
Dr Martin Cross	100%	100%	-	-	-	-
Mr Michael Bassett	100%	100%	-	-	-	-
<b>Executive Directors:</b>						
Mr Nigel Lange	70%	-	6%	-	24%	-
Mr Daniel Kenny *	100%	77%	-	23%	-	-
<b>Other KMP:</b>						
Mr Karl Pechmann	90%	86%	5%	14%	5%	-

\*During the year, the value of LTI was reversed following the termination of Daniel Kenny. Consequently, the proportion of the at risk LTI portion of remuneration in the year ended 30 June 2021 has been reduced to Nil in the above table.

## Directors' report



The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2021	2020	2021	2020
<b>Executive Directors:</b>				
Mr Nigel Lange	25%	-	75%	-
Mr Daniel Kenny	-	70%	-	30%
<b>Other KMP:</b>				
Mr Karl Pechmann	25%	100%	75%	-

### Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

**Name:** Mr Nigel Lange  
**Title:** Chief Executive Officer and Managing Director  
**Agreement commenced:** 21 January 2020  
**Term of agreement:** Ongoing until terminated by OncoSil or Mr Lange  
**Details:** Base salary of €250,000 per annum. Additional benefits of motor vehicle, medical insurance and statutory pension entitlements (value approximately €25,000 per annum). Cash bonus up to 35% of base salary subject to achievement of KPI's as agreed with the Board. Mr Lange is eligible to participate in the long term incentive plan up to 35% of base salary. Either party may terminate the contract by providing six months' written notice.

**Name:** Karl Pechmann  
**Title:** Chief Financial Officer and Company Secretary  
**Agreement commenced:** 31 March 2020  
**Term of agreement:** No fixed term  
**Details:** Base salary for the year ended 30 June 2021 of \$255,000 plus superannuation, to be reviewed annually by the NRC, three months termination notice by either party, cash bonus up to 25% of salary subject to achievement of KPIs as set by the Board. There is a restraint period of six months ending on the date of termination of employment. He is eligible to participate in the long term incentive plan as approved by shareholders.

KMP have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2021 other than those issued under the Employee Share Plan below.

#### Employee Share Plan ('ESP')

Certain employees have been issued limited recourse loans to acquire shares in the Company. In accordance with the Australian Accounting Standards, these performance dependent loan shares are accounted for in a similar manner as options.



## Directors' report



Terms and conditions of share based payment arrangements affecting the remuneration of KMP in the current financial year are set out below:

Name	Number of performance dependent loan shares granted	Grant date	Expiry date	Exercise price	Fair value of performance dependent loan per share at grant date
Mr Nigel Lange	5,718,303	05/11/2020	05/11/2025	\$0.13	\$0.102
Mr Daniel Kenny*	2,781,872	05/11/2020	05/11/2025	\$0.13	\$0.102
Mr Karl Pechmann	664,926	05/11/2020	05/11/2025	\$0.13	\$0.102

\* These were granted and then subsequently reversed upon termination.

The shares cannot be traded by the holder until their related loan has been settled and the shares released.

Other than the above, there were no options over ordinary shares granted to or vested in directors and other KMP as part of compensation during the year ended 30 June 2021.

### Additional information

The earnings of the Group for the five years to 30 June 2021 are summarised below:

	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Revenue/income	1,497,941	2,958,779	3,845,045	4,549,584	3,755,765
Loss after income tax	(10,433,523)	(4,261,895)	(8,566,731)	(8,539,542)	(7,016,079)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Share price at financial year end (\$)	0.05	0.12	0.05	0.23	0.10
Basic earnings per share (cents per share)	(1.28)	(0.65)	(1.36)	(1.66)	(1.49)

## Directors' report



### Additional disclosures relating to KMP

#### Shareholding

The number of shares in the Company held during the financial year by each director and other members of KMP of the Group including their personally related parties (including those held under an Employee Share Plan), is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other *	Balance at the end of the year
<b>Ordinary shares</b>					
Dr Chris Roberts AO	12,681,819	-	3,000,000	(10,000,000)	5,681,819
Mr Daniel Kenny **	20,352,778	2,781,872	-	(23,134,650)	-
Mr Nigel Lange	-	5,718,303	-	-	5,718,303
Dr Roger Aston	13,154,416	-	-	(500,000)	12,654,416
Dr Martin Cross	2,727,273	-	177,727	-	2,905,000
Mr Michael Bassett	1,116,000	-	-	-	1,116,000
Mr Karl Pechmann	165,455	664,926	20,000	-	850,381
	50,197,741	9,165,101	3,197,727	(33,634,650)	28,925,919

\*other represents performance dependent loan shares forfeited under the Employee Share Plan

\*\*other represents 23,081,872 shares forfeited under the Employee Share Plan and 52,778 shares held on date of resignation.

#### Loan shares holding

The number of performance dependent loan shares over ordinary shares in the Company held during the financial year by each director and other members of KMP of the Group, is set out below:

	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
<b>Loan shares over ordinary shares**</b>					
Dr Chris Roberts AO	10,000,000	-	-	(10,000,000)	-
Mr Daniel Kenny *	17,300,000	2,781,872	-	(20,081,872)	-
Mr Nigel Lange	-	5,718,303	-	-	5,718,303
Mr Karl Pechmann	-	664,926	-	-	664,926
	27,300,000	9,165,101	-	(30,081,872)	6,383,229

\*Performance dependent employee loan shares forfeited on termination.

\*\*None of the performance dependent loan shares over ordinary shares have vested at the end of the year since the related loans haven't been repaid.

## Directors' report



### *Other transactions with KMP and their related parties*

Payment of Director's fees to Dr Chris Roberts AO, were made to his director-related entity, Robertsplan Pty Ltd during the financial year of \$80,000 (2020: \$80,000).

Payment of Director's fees to Mr Michael Bassett, were made to his director-related entity, Market Connect Australia Pty Ltd during the financial year of \$80,000 (2020: \$80,000).

**This concludes the remuneration report, which has been audited.**

### Shares under option

There were no unissued ordinary shares of OncoSil Medical Ltd under option outstanding at the date of this report.

### Shares under performance dependent loan shares

There were no unissued ordinary shares of OncoSil Medical Ltd under performance dependent loan shares outstanding at the date of this report.

### Shares issued on the exercise of options

There were no ordinary shares of OncoSil Medical Ltd issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

### Shares issued on the exercise of performance dependent loan shares

There were no ordinary shares of OncoSil Medical Ltd issued on the exercise of performance dependent loan shares during the year ended 30 June 2021 and up to the date of this report.

### Indemnity and insurance of officers

The Company has indemnified the directors and executives for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Non-audit services

There were no non-audit services provided during the financial year by the auditor.

## Directors' report



### Officers of the Company who are former partners of Crowe Sydney


There are no officers of the Company who are former partners of Crowe Sydney.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Signed  \_\_\_\_\_

**Dr Chris Roberts AO**  
Non-Executive Chairman

Date: 18 August 2021

Sydney

## Auditor's independence declaration



18 August 2021

The Board of Directors  
OncoSil Medical Ltd  
Suite 503, Level 5  
15 Blue Street  
North Sydney NSW 2060

**Crowe Sydney**  
ABN 97 895 683 573

Level 15 1 O'Connell Street  
Sydney NSW 2000  
Australia

Tel +61 2 9262 2155  
Fax +61 2 9262 2190  
[www.crowe.com.au](http://www.crowe.com.au)

Dear Board Members

### OncoSil Medical Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of OncoSil Medical Ltd.

As lead audit partner for the audit of the financial report of OncoSil Medical Ltd for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

A handwritten signature in black ink that reads "Crowe Sydney".

**Crowe Sydney**

A handwritten signature in black ink that reads "B Rd".

**Barbara Richmond**  
Partner

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

© 2021 Findex (Aust) Pty Ltd.

# Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

		Consolidated	
	Note	2021 \$	2020 \$
<b>Revenue</b>	5	213,070	-
Other income	6	1,126,888	2,853,898
Interest revenue calculated using the effective interest method		82,483	104,881
<b>Expenses</b>			
Raw materials and consumables used	7	(961,023)	-
Employee benefits expense	7	(5,294,509)	(3,539,643)
Research and development expenses		(2,887,721)	(3,725,761)
Marketing expense		(684,769)	(265,670)
Occupancy expenses		(147,955)	(77,992)
Consulting, finance and legal expenses		(1,339,913)	(1,560,001)
Share-based payments	17	140,801	2,390,884
Other administrative expenses		(665,128)	(417,061)
Finance costs	7	(15,747)	(25,430)
<b>Loss before income tax expense</b>		(10,433,523)	(4,261,895)
Income tax expense	8	-	-
<b>Loss after income tax expense for the year attributable to the owners of OncoSil Medical Ltd</b>		(10,433,523)	(4,261,895)
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		109,454	(1,132)
Other comprehensive income for the year, net of tax		109,454	(1,132)
<b>Total comprehensive income for the year attributable to the owners of OncoSil Medical Ltd</b>		(10,324,069)	(4,263,027)
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	28	(1.28)	(0.65)
Diluted earnings per share	28	(1.28)	(0.65)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

# Statement of financial position

As at 30 June 2021

		Consolidated	
	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	12,239,836	20,997,985
Trade and other receivables	10	1,181,448	2,805,747
Other assets	11	198,407	117,762
<b>Total current assets</b>		<b>13,619,691</b>	<b>23,921,494</b>
<b>Non-current assets</b>			
Plant and equipment		77,443	56,583
Right-of-use assets	12	453,342	81,789
<b>Total non-current assets</b>		<b>530,785</b>	<b>138,372</b>
<b>Total assets</b>		<b>14,150,476</b>	<b>24,059,866</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	1,731,275	1,780,592
Borrowings	27	-	26,564
Lease liabilities	14	163,240	83,377
Employee benefits		238,398	268,025
<b>Total current liabilities</b>		<b>2,132,913</b>	<b>2,158,558</b>
<b>Non-current liabilities</b>			
Lease liabilities	15	321,125	-
<b>Total non-current liabilities</b>		<b>321,125</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,454,038</b>	<b>2,158,558</b>
<b>Net assets</b>		<b>11,696,438</b>	<b>21,901,308</b>
<b>Equity</b>			
Issued capital	16	70,397,314	70,137,314
Reserves	17	3,597,032	3,628,379
Accumulated losses		(62,297,908)	(51,864,385)
<b>Total equity</b>		<b>11,696,438</b>	<b>21,901,308</b>

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

## Statement of changes in equity

### For the year ended 30 June 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2019</b>	52,257,231	6,020,395	(47,602,490)	10,675,136
Loss after income tax expense for the year	-	-	(4,261,895)	(4,261,895)
Other comprehensive income for the year, net of tax	-	(1,132)	-	(1,132)
Total comprehensive income for the year	-	(1,132)	(4,261,895)	(4,263,027)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 16)	17,880,083	-	-	17,880,083
Share-based payments (note 15)	-	(2,390,884)	-	(2,390,884)
<b>Balance at 30 June 2020</b>	<b>70,137,314</b>	<b>3,628,379</b>	<b>(51,864,385)</b>	<b>21,901,308</b>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2020</b>	70,137,314	3,628,379	(51,864,385)	21,901,308
Loss after income tax expense for the year	-	-	(10,433,523)	(10,433,523)
Other comprehensive income for the year, net of tax	-	109,454	-	109,454
Total comprehensive income for the year	-	109,454	(10,433,523)	(10,324,069)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 16)	260,000	-	-	260,000
Share-based payments (note 15)	-	(140,801)	-	(140,801)
<b>Balance at 30 June 2021</b>	<b>70,397,314</b>	<b>3,597,032</b>	<b>(62,297,908)</b>	<b>11,696,438</b>

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



## Statement of cash flows

### For the year ended 30 June 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		210,941	-
Payments to suppliers and employees		(12,002,553)	(8,357,796)
Interest received		82,483	104,881
Interest and other finance costs paid		(15,747)	(11,085)
Research and development tax incentive		2,763,475	3,718,921
Government grants received		146,000	89,000
Net cash used in operating activities	26	(8,815,401)	(4,456,079)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(54,000)	(20,721)
Net cash used in investing activities		(54,000)	(20,721)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	16	260,000	19,099,733
(Repayments)/proceeds from borrowings		(26,564)	26,564
Share issue transaction costs	16	-	(1,219,650)
Repayment of lease liabilities		(122,184)	(121,096)
Net cash from financing activities		111,252	17,785,551
Net increase/(decrease) in cash and cash equivalents		(8,758,149)	13,308,751
Cash and cash equivalents at the beginning of the financial year		20,997,985	7,689,234
Cash and cash equivalents at the end of the financial year	9	<u>12,239,836</u>	<u>20,997,985</u>

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

# Notes to the financial statements



## Note 1. General information

The financial statements cover OncoSil Medical Ltd as a Group consisting of OncoSil Medical Ltd (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (the 'Group'). The financial statements are presented in Australian dollars, which is OncoSil Medical Ltd's functional and presentation currency.

OncoSil Medical Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 503, Level 5  
15 Blue Street  
North Sydney NSW 2060

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 August 2021. The directors have the power to amend and reissue the financial statements.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

#### Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### Historical cost convention

The financial statements have been prepared under the historical cost convention. The financial statements have also been prepared on a going concern basis.

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

# Notes to the financial statements



## Note 2. Significant accounting policies (continued)

### Going concern

During the financial year ended 30 June 2021 the Group has reported a loss after tax of \$10,433,523 (2020: \$4,261,895) and a decline in cash flows from operative activities of \$4,359,322. COVID-19 has impacted on the Group's ability to grow its revenue base during the year. As at 30 June 2021, the Group holds cash and cash equivalents of \$12,239,836.

The directors have assessed the financial and operating implications of the above matters, including the expected net cash outflows over the next 12 months. Should forecasted revenue not be achieved, the Group can flexibly manage cash outflows by reducing discretionary expenditure. Based on this consideration, the directors are of the view that the Group will be able to pay its debts as and when they fall due for at least 12 months following the date of these financial statements and that it is appropriate for the financial statements to be prepared on the going concern basis.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OncoSil Medical Ltd as at 30 June 2021 and the results of all subsidiaries for the year then ended. OncoSil Medical Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Foreign currency translation

The financial statements are presented in Australian dollars, which is OncoSil Medical Ltd's functional and presentation currency.

### Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## Notes to the financial statements



### Note 2. Significant accounting policies (continued)

#### Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Office equipment      3-15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

#### Research and development costs

Research costs are expensed in the period in which they are incurred. Development costs will be capitalised if and when: it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably.

#### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

#### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

## Notes to the financial statements



### Note 2. Significant accounting policies (continued)

#### Employee benefits

##### Short-term employee benefits

Liabilities for wages and salaries and other employee benefits expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### Long-term employee benefits

Employee benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

#### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### COVID-19

Judgement has been exercised in considering the impacts that COVID-19 has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Whilst the impact of COVID-19 has not materially impacted the Group up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

## Notes to the financial statements



### Note 3. Critical accounting judgements, estimates and assumptions (continued)

#### Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Monte-Carlo model taking into account the terms and conditions upon which the instruments were granted during the last 2 years (Black-Scholes model has been used before). The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

#### Research and development tax incentive

The Group measures the research and development tax incentive ('RDTI') based on the preparation of the income tax return for the year therefore assumptions and judgement are involved to determine whether some costs are appropriated to RDTI.

#### Recovery of deferred tax assets

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

#### Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

#### Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

### Note 4. Operating segments

#### Identification of reportable operating segments

The Group operates in one segment being the device development for new medical treatments. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on at least a monthly basis. The financial information presented in these financial statements are the same as that presented to the CODM.

The Group currently derives revenue in the Australia and New Zealand region. Information of revenue from products is included in note 5.

#### Major customers

During the year ended 30 June 2021 there were no major customers. A customer is considered major if its revenues are 10% or more of the Group's revenue.

## Notes to the financial statements



### Note 5. Revenue

	Consolidated	
	2021	2020
	\$	\$
Sales revenue	213,070	-

#### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2021	2020
	\$	\$
<b>Major product lines</b>		
OncoSil device	213,070	-
<b>Geographical regions</b>		
APAC (Australia and New Zealand)	213,070	-
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	213,070	-

#### Accounting policy for revenue recognition

The Group recognises revenue as follows:

##### Sale of goods

Revenue from the sale of goods is recognised when the performance obligation is satisfied, which is at the point in time the customer obtains control of the goods at the time of delivery.

## Notes to the financial statements



### Note 6. Other income

	Consolidated	
	2021 \$	2020 \$
Government grants *	146,000	89,000
Research and development tax incentive	1,077,202	2,763,475
Net (loss)/gain on foreign exchange	(104,367)	1,092
Other income	8,053	331
<b>Other income</b>	<b>1,126,888</b>	<b>2,853,898</b>

\*During the year the Company received payments from the Australian Government amounting to \$50,000 (2020: \$50,000) and \$96,000 (2020: \$39,000) as part of its 'Boosting Cash Flow for Employers' and 'JobKeeper' schemes, respectively, in response to COVID-19. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the Company will comply with any conditions attached.

#### Accounting policy for:

##### *Government grants*

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

##### *Research and development tax incentive*

The research and development tax incentive ('RDTI') represents a refundable tax offset that is available on eligible research and development expenditure incurred by the Group. The RDTI is considered to be a form of government assistance and the accounting policy adopted is analogous to accounting for government grants.

The RDTI is recognised at fair value where there is a reasonable assurance that the incentive will be received and the Group will comply with all attached conditions.

The RDTI relating to expenses is recognised as incurred at the point of time in profit or loss.

##### *Other income*

Other income is recognised when it is received or when the right to receive payment is established.

##### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.



## Notes to the financial statements



### Note 7. Expenses

Loss before income tax includes the following specific expenses	Consolidated	
	2021 \$	2020 \$
<b>Cost of sales</b>		
Cost of sales	961,023	-
<b>Depreciation</b>		
Office equipment	33,159	26,604
Buildings right-of-use assets	151,619	122,684
Total depreciation	<b>184,778</b>	<b>149,288</b>
<b>Employee benefits (excluding share-based payments)</b>		
Employee benefits	5,097,404	3,361,082
Defined contribution superannuation expense	197,105	178,561
Total employee benefits expense	<b>5,294,509</b>	<b>3,539,643</b>
<b>Finance costs</b>		
Interest and finance charges paid/payable on borrowings	1,081	15,206
Interest and finance charges paid/payable on lease liabilities	14,666	10,224
Finance costs expensed	<b>15,747</b>	<b>25,430</b>
<b>Leases</b>		
Short-term lease payments	<b>136,850</b>	<b>131,319</b>

## Notes to the financial statements



### Note 8. Income tax

Loss before income tax includes the following specific expenses	Consolidated	
	2021 \$	2020 \$
<b>Numerical reconciliation of income tax expense and tax at the statutory rate</b>		
Loss before income tax expense	(10,433,523)	(4,261,895)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(2,712,716)	(1,172,021)
<b>Tax effect amounts which are not deductible/(taxable) in calculating taxable income</b>		
Research and development – write back	348,348	981,525
Share-based payments	(36,608)	(657,493)
Others	(42,126)	(33,292)
Future income tax benefit not brought to account	2,443,102	881,281
Income tax expense	-	-
<b>Tax losses not recognised</b>		
Unused tax losses for which no deferred tax asset has been recognised	19,227,295	12,422,257
Potential tax benefit @ 25% (2020: 26%)	4,806,824	3,229,787

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The corporate tax rate applicable to base rate entities reduces from 27.5% to 26% for the 2020-21 income year and further reduces to 25% prospectively from the 2021-22 income year. The Company qualifies as a base rate entity as it has a turnover of less than \$50 million and less than 80% of its assessable income is derived from base rate entity passive income. The Company has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised. The impact of the change in tax rate on deferred tax balances has been recognised as tax expense in profit or loss or as an adjustment to equity to the extent to which the deferred tax relates to items previously recognised outside profit or loss.

#### Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

## Notes to the financial statements



### Note 8. Income tax (continued)

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### Note 9. Current assets – cash and cash equivalents

	Consolidated	
	2021 \$	2020 \$
Cash at bank	12,122,736	20,881,585
Cash on deposit	117,100	116,400
	<b>12,239,836</b>	<b>20,997,985</b>

#### Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities between three and six months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Note 10. Current assets – trade and other receivables

	Consolidated	
	2021 \$	2020 \$
Trade receivables	28,691	-
Other receivables	75,555	42,272
Research and development tax incentive receivable	1,077,202	2,763,475
	<b>1,152,757</b>	<b>2,805,747</b>
	<b>1,181,448</b>	<b>2,805,747</b>

## Notes to the financial statements



### Note 10. Current assets – trade and other receivables (continued)

#### Accounting policy for trade and other receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### Note 11. Current assets – other assets

	Consolidated	
	2021	2020
	\$	\$
Prepayments	107,873	48,548
Other deposits	90,534	69,214
	<b>198,407</b>	<b>117,762</b>

### Note 12. Non-current assets – right-of-use assets

	Consolidated	
	2021	2020
	\$	\$
Buildings – right-of-use	523,172	204,473
Less: Accumulated depreciation	(69,830)	(122,684)
	<b>453,342</b>	<b>81,789</b>

The Group leases buildings for its offices under agreements of between 3 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

## Notes to the financial statements



### Note 12. Non-current assets – right-of-use assets (continued)

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	<b>Buildings</b> \$
Balance at 1 July 2019	-
Additions from AASB 16 adoption	204,473
Depreciation expense	(122,684)
Balance at 30 June 2020	81,789
Additions	523,172
Depreciation expense	(151,619)
Balance at 30 June 2021	<b>453,342</b>

For other lease disclosures, refer to:

- note 7 for depreciation on right-of-use assets;
- note 7 for interest on lease liabilities;
- note 7 for expense relating to short-term leases and low-value assets;
- note 14 and note 15 for lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

#### Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Notes to the financial statements



### Note 13. Current liabilities – trade and other payables

	Consolidated	
	2021	2020
	\$	\$
Trade payables	1,226,950	1,355,610
Payroll liabilities	272,087	216,583
Other payables	232,238	208,399
	<b>1,731,275</b>	<b>1,780,592</b>

Refer to note 19 for further information on financial instruments.

#### Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured, non-interest bearing and are usually paid within 60 days of recognition.

### Note 14. Current liabilities – lease liabilities

	Consolidated	
	2021	2020
	\$	\$
Lease liability	163,240	83,377

Refer to note 19 for information on the maturity analysis of lease liabilities.

### Note 15. Non-current liabilities – lease liabilities

	Consolidated	
	2021	2020
	\$	\$
Lease liability	321,125	-

Refer to note 19 for information on the maturity analysis of lease liabilities.

#### Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Notes to the financial statements



### Note 16. Equity – issued capital

	Consolidated			
	2021 Shares	2020 Shares	2021 \$	2020 \$
Ordinary shares – fully paid	797,343,294	828,600,898	70,397,314	70,137,314

#### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	630,708,788		52,257,231
Loan funded employee options repaid	3 December 2019	-	\$0.00	60,000
Employee loan shares issued	25 March 2020	2,139,524	\$0.10	-
Forfeited employee loan shares	27 March 2020	(12,300,000)	\$0.00	-
Placement issue of shares	8 May 2020	155,137,076	\$0.09	13,962,337
Rights issue	28 May 2020	56,415,510	\$0.09	5,077,396
Forfeited employee loan shares	30 June 2020	(3,500,000)	\$0.00	-
Transaction costs		-	\$0.00	(1,219,650)
Balance	30 June 2020	828,600,898		70,137,314
Employee loan shares issued	5 November 2020	10,862,730	\$0.13	-
Loan funded employee shares repaid	30 November 2020	-	\$0.00	260,000
Cancellation of employee loan shares	18 December 2020	(23,581,872)	\$0.00	-
Cancellation of employee loan shares	28 January 2021	(8,538,462)	\$0.00	-
Cancellation of employee loan shares	10 May 2021	(10,000,000)	\$0.00	-
Balance	30 June 2021	797,343,294		70,397,314

#### Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to share-holders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Share buy-back

There is no current on-market share buy-back.

## Notes to the financial statements



### Note 16. Equity – issued capital (continued)

#### Capital risk management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the state of the Group's development there are no formal targets set for return of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group is not subject to any financing arrangements covenants or externally imposed capital requirements.

The capital risk management policy has not changed during the year.

#### Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Note 17. Equity – reserves

	Consolidated	
	2021 \$	2020 \$
Foreign currency reserve	(52,940)	(162,394)
Share-based payments reserve	3,649,972	3,790,773
	<b>3,597,032</b>	<b>3,628,379</b>

#### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

#### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to: employees and directors as part of their remuneration under an Employee Share Plan; directors on terms determined by the Board and approved by shareholders; and other parties as part of their compensation for services.



## Notes to the financial statements



### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency \$	Share-based payments \$	Total \$
<b>Balance at 1 July 2019</b>	(161,262)	6,181,657	6,020,395
Foreign currency translation	(1,132)	-	(1,132)
Share-based payments	-	(2,390,884)	(2,390,884)
<b>Balance at 30 June 2020</b>	(162,394)	3,790,773	3,628,379
Foreign currency translation	109,454	-	109,454
Share-based payments	-	(140,801)	(140,801)
<b>Balance at 30 June 2021</b>	<b>(52,940)</b>	<b>3,649,972</b>	<b>3,597,032</b>

### Note 18. Equity – dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

### Note 19. Financial instruments

#### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

#### Market risk

##### Foreign currency risk

The Group is not exposed to significant foreign currency risk.

##### Price risk

The Group is not exposed to any significant price risk.

##### Interest rate risk

The Group's main interest rate risk arises from cash at bank and short term deposits. The policy is to maintain a mix of fixed and floating rate deposits.

The carrying value of the Group's cash and cash equivalents at the reporting date, subject to interest rate risk. The effect a 100 (2020: 100) basis point interest rate change is detailed below. The method used to arrive at the possible change in basis points was based on the analysis of the average change of the Reserve Bank of Australia ('RBA') monthly issued cash rate over the past five years.

## Notes to the financial statements



### Note 19. Financial instruments (continued)

	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
<b>Consolidated – 2021</b>						
Cash and cash equivalents	100	<u>122,398</u>	<u>90,575</u>	(100)	<u>(122,398)</u>	<u>(90,575)</u>

	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
<b>Consolidated – 2020</b>						
Cash and cash equivalents	100	<u>209,980</u>	<u>152,235</u>	(100)	<u>(209,980)</u>	<u>(152,235)</u>

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The credit risk on liquid funds is limited because the counter party is a bank with high credit rating.

#### Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and fore-cast cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of finance leases and equity funding.

#### Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

## Notes to the financial statements



## Note 19. Financial instruments (continued)

Consolidated – 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<b>Non-interest bearing</b>						
Trade payables	-	1,226,950	-	-	-	1,226,950
Payroll liabilities	-	272,087	-	-	-	272,087
Other payables	-	232,238	-	-	-	232,238
<b>Interest-bearing – variable</b>						
Lease liability	5.00%	163,240	176,508	144,617	-	484,365
<b>Total non-derivatives</b>		<b>1,894,515</b>	<b>176,508</b>	<b>144,617</b>	<b>-</b>	<b>2,215,640</b>

Consolidated – 2020	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<b>Non-interest bearing</b>						
Trade payables	-	1,355,610	-	-	-	1,355,610
Payroll liabilities	-	216,583	-	-	-	216,583
Other payables	-	208,399	-	-	-	208,399
<b>Interest-bearing – variable</b>						
Lease liability	5.00%	83,377	-	-	-	83,377
<b>Interest-bearing – fixed rate</b>						
Other loans	11.62%	26,564	-	-	-	26,564
<b>Total non-derivatives</b>		<b>1,890,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,890,533</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Notes to the financial statements



### Note 20. Key management personnel disclosures

#### Compensation

The aggregate compensation made to directors and other members of KMP of the Group is set out below:

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	1,510,823	1,209,649
Post-employment benefits	52,971	63,105
Share-based payments	(373,002)	(1,862,243)
	<b>1,190,792</b>	<b>(589,489)</b>

### Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Crowe Sydney, the auditor of the Company:

	Consolidated	
	2021	2020
	\$	\$
Audit services – Crowe Sydney		
Audit or review of the financial statements	57,500	55,800

### Note 22. Contingent liabilities

There has been no change in the status of contingent liabilities since 30 June 2020.

On 16 April 2013, OncoSil Medical Ltd settled the acquisition of OncoSil Medical (UK) Limited (formerly Enigma Therapeutics Limited "OncoSil UK"). OncoSil UK holds a licence to commercialise OncoSil™ (formerly BrachySil™), a targeted brachytherapy product for the treatment of cancer ('the Product') under a licence agreement from pSiMedica.

pSiMedica has granted to OncoSil UK an exclusive world-wide royalty-bearing license for the term of the pSiMedica Transaction (with limited rights to sub-license) under the Licensed Patents solely to make, use, sell, offer to sell and import the Product in the field of therapy in human neoplastic disease (cancer). Key terms of the license agreement have been summarised below:

- OncoSil UK is required to make a payment of up to US\$100,000 to pSiMedica annually to support existing patents; and
- OncoSil UK is required to make the following payments for patents and subject to the Product completing positive clinical trials and becoming registered for sale.
  - i. During the term of the licence, 8% of future net sales (future sales which cannot be guaranteed) of the Product or any other product protected by the rights arising from the Assigned Patents (if sold by OncoSil UK or its affiliates) and services performed using the Product or such other products, on a product-by-product and country-by-country basis. Only half of this payment must be made whenever approved generic competitor products derived from the Product maintain at least a 20% world-wide market share of sales, on a country-by-country and product-by-product basis.

## Notes to the financial statements



### Note 22. Contingent liabilities (continued)

- ii. 20% of any form of consideration, payments, royalties, third party net sales income and other payments received from third party licensing deals and various other agreements with third parties in relation to the Product or any other product protected by the rights arising from the Assigned Patents, for the term of the pSiMedica licence, on a product-by-product and country-by-country basis.
- iii. Potential milestone payments based only upon the Product being a commercial success, which cannot be guaranteed now or in the future (ranging from US\$1,000,000 to US\$5,000,000) upon:
  - OncoSil UK, its affiliates and any of OncoSil UK's third party transferees together potentially achieving US\$5,000,000 aggregate net sales of the Product and any other product protected by the rights arising from the Assigned Patents, for (i) an indication and (ii) a second indication;
  - aggregate net sales of the Product and any other product protected by the rights arising from the Assigned Patents, paid to OncoSil UK, its affiliates and third party transferees in a calendar year of US\$20,000,000 or more; and
  - aggregate net sales of the Product and any other product protected by the rights arising from the Assigned Patents, paid to OncoSil UK, its affiliates and third party transferees in a calendar year of US\$100,000,000 or more.

#### Termination of licence agreement

Unless terminated early for reasons such as a material breach, or by pSiMedica due to a patent challenge being brought against pSiMedica in certain circumstances (including by OncoSil UK), the term of the licence for the Licensed Patents and OncoSil UK's rights to exploit the product and any other products arising from the Assigned Patents, remain in effect on a country-by-country and product-by-product basis, until the later to occur of:

- the date on which the product or any other product protected by the rights arising from the Assigned Patents in such country is no longer covered or protected by a potential claim of the Licensed Patents or the Assigned Patents in such country; and
- ten years from the date of first commercial sale of a product or any other product protected by the rights arising from the Assigned Patents in such country.

In addition, if OncoSil UK reasonably forms the view that it is not capable of commercialising OncoSil™, OncoSil UK shall have the right to terminate the license agreement by giving 60 days prior written notice to pSiMedica.

The directors are not aware of any other commitments or contingencies as at 30 June 2021.

### Note 23. Related party transactions

#### Parent entity

OncoSil Medical Ltd is the parent entity.

#### Subsidiaries

Interests in subsidiaries are set out in note 25.

#### Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

#### Transactions with related parties

Payment of Director's fees to Dr Chris Roberts AO, were made to his director-related entity, Robertsplan Pty Ltd during the financial year of \$80,000 (2020: \$80,000).

Payment of Director's fees to Mr Michael Bassett, were made to his director-related entity, Market Connect Australia Pty Ltd during the financial year of \$80,000 (2020: \$80,000).

## Notes to the financial statements



### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

### Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

#### Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$	\$
Loss after income tax	(7,842,014)	(3,829,725)
Total comprehensive income	(7,842,014)	(3,829,725)

#### Statement of financial position

	Parent	
	2021	2020
	\$	\$
Total current assets	18,152,267	26,316,323
Total assets	18,283,783	26,454,695
Total current liabilities	1,383,386	2,152,608
Total liabilities	1,704,511	2,152,608
<b>Equity</b>		
Issued capital	70,397,314	70,137,314
Share-based payments reserve	3,649,972	3,790,773
Accumulated losses	(57,468,014)	(49,626,000)
Total equity	<b>16,579,272</b>	<b>24,302,087</b>

#### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

#### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

## Notes to the financial statements



### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

### Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
OncoSil Medical UK Limited	United Kingdom	100%	100%
OncoSil Medical Europe GmbH *	Germany	100%	100%
OncoSil Medical US Inc.	United States	100%	100%
OncoSil Medical NZ Limited	New Zealand	100%	100%
OncoSil Medical Singapore Pte. Ltd.**	Singapore	100%	-

\*During the year the company name was changed (formerly known as OncoSil Medical Germany GmbH)

\*\*The company was registered on 18 September 2020

## Notes to the financial statements



### Note 26. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2021 \$	2020 \$
Loss after income tax expense for the year	(10,433,523)	(4,261,895)
<b>Adjustments for</b>		
Depreciation and amortisation	184,778	149,288
Share-based payments	(140,801)	(2,390,884)
Foreign exchange differences	109,435	(1,132)
<b>Change in operating assets and liabilities</b>		
Increase in trade receivables	(28,691)	-
Decrease in other operating assets	1,572,345	993,138
Increase/(decrease) in trade and other payables	(49,317)	1,012,984
Increase/(decrease) in employee benefits	(29,627)	42,422
<b>Net cash used in operating activities</b>	<b>(8,815,401)</b>	<b>(4,456,079)</b>

### Note 27. Changes in liabilities arising from financing activities

Consolidated	Borrowings \$	Lease liability \$	Total \$
Balance at 1 July 2019	-	-	-
Net cash from/(used in) financing activities	26,564	(121,096)	(94,532)
Acquisition of buildings – right-of-use by means of leases	-	204,473	204,473
Balance at 30 June 2020	26,564	83,377	109,941
Net cash used in financing activities	(26,564)	(122,184)	(148,748)
Acquisition of buildings – right-of-use by means of leases	-	523,172	523,172
Balance at 30 June 2021	-	<b>484,365</b>	<b>484,365</b>

The borrowings the Group had during the year corresponded to loans for insurance premium funding arrangements.



## Notes to the financial statements



### Note 28. Earnings per share

	Consolidated	
	2021 \$	2020 \$
Loss after income tax attributable to the owners of OncoSil Medical Ltd	(10,433,523)	(4,261,895)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	818,087,077	656,175,735
Weighted average number of ordinary shares used in calculating diluted earnings per share	818,087,077	656,175,735
	Cents	Cents
Basic earnings per share	(1.28)	(0.65)
Diluted earnings per share	(1.28)	(0.65)

22,170,382 performance dependent loan shares under the Group's Employee Share Plan have not been included in the diluted earnings per share calculation as they are anti-dilutive.

### Accounting policy for earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of OncoSil Medical Ltd, 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 financial 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.

### Note 29. Share-based payments

The Group's Employee Share Plan ('ESP') is designed as an incentive for senior managers and above. Under the plan, participants are granted performance dependent loan shares which only vest if certain performance standards are met. The issue price is fully financed by a limited recourse loan provided by the Group. Dividends are for the benefit of the employee. Employees are not permitted to deal in the shares until the limited recourse loan has been repaid. Performance dependent loan shares issued under the ESP are accounted for in a similar manner as options. There are no cash settlement alternatives.

The following performance dependent loan shares were on issue under the ESP at reporting date and held as security against limited recourse loan arrangements:

## Notes to the financial statements



## Note 29. Share-based payments (continued)

## 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other *	Balance at the end of the year
13/01/2016	13/01/2021	\$0.13	2,500,000	-	-	(2,500,000)	-
10/05/2016	10/05/2021	\$0.22	24,000,000	-	-	(24,000,000)	-
12/08/2016	11/08/2021	\$0.22	4,000,000	-	-	-	4,000,000
11/12/2017	11/12/2022	\$0.22	769,231	-	-	-	769,231
02/03/2018	02/03/2023	\$0.22	4,230,769	-	-	-	4,230,769
02/03/2018	11/08/2021	\$0.22	1,000,000	-	-	-	1,000,000
31/10/2018	31/10/2023	\$0.18	2,625,000	-	-	(1,650,000)	975,000
31/10/2018	31/10/2023	\$0.18	2,625,000	-	-	(1,650,000)	975,000
25/03/2020	25/03/2025	\$0.10	1,069,763	-	-	-	1,069,763
25/03/2020	25/03/2025	\$0.10	1,069,761	-	-	-	1,069,761
05/11/2020	05/11/2025	\$0.13	-	10,862,730	-	(2,781,872)	8,080,858
			<b>43,889,524</b>	<b>10,862,730</b>	-	<b>(32,581,872)</b>	<b>22,170,382</b>
Weighted average exercise price			\$0.20	\$0.13	\$0.00	\$0.19	\$0.17

\*During the year 32,581,872 performance dependent loan shares were forfeited due to vesting conditions not being met.

For performance dependent loan shares issued on 5 November 2020, shares vest automatically if and when the OncoSil Total Shareholder Return (TSR) achieves a compound annual growth rate (CAGR) based on the following table:

TSR CAGR Performance	Loan Funded Shares that Vest (%)
<15%	0%
15% (threshold performance)	50%
> 15% and < 25%	Straight-line vesting between 50% and 100%
25% or more (stretch)	100%

The following unvested performance dependent loan shares were on issue under the ESP as at 30 June 2020 and were being held as security against limited recourse loan arrangements:

## Notes to the financial statements



## Note 29. Share-based payments (continued)

## 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other *	Balance at the end of the year
30/10/2013	31/12/2019	\$0.15	5,000,000	-	-	(5,000,000)	-
28/11/2014	31/12/2019	\$0.18	500,000	-	-	(500,000)	-
28/11/2014	31/12/2019	\$0.13	3,000,000	-	-	(3,000,000)	-
13/01/2016	13/01/2021	\$0.13	8,500,000	-	-	(6,000,000)	2,500,000
10/05/2016	10/05/2021	\$0.22	24,000,000	-	-	-	24,000,000
12/08/2016	11/08/2021	\$0.22	4,000,000	-	-	-	4,000,000
11/12/2017	11/12/2022	\$0.22	769,231	-	-	-	769,231
02/03/2018	02/03/2023	\$0.22	4,230,769	-	-	-	4,230,769
02/03/2018	11/08/2021	\$0.22	1,000,000	-	-	-	1,000,000
31/10/2018	31/10/2023	\$0.18	3,275,000	-	-	(650,000)	2,625,000
31/10/2018	31/10/2023	\$0.18	3,275,000	-	-	(650,000)	2,625,000
25/03/2020	25/03/2025	\$0.10	-	1,069,763	-	-	1,069,763
25/03/2020	25/03/2025	\$0.10	-	1,069,761	-	-	1,069,761
			<b>57,550,000</b>	<b>2,139,524</b>	<b>-</b>	<b>(15,800,000)</b>	<b>43,889,524</b>

<b>Weighted average exercise price</b>	\$0.19	\$0.10	\$0.00	\$0.14	\$0.20
--	--------	--------	--------	--------	--------

\*During the year ended 30 June 2020 15,800,000 performance dependent loan shares were forfeited due to vesting conditions being met.

**The vesting conditions for the performance dependent loan shares issued on 25 March 2020 are as follows:**

- The first tranche of 1,069,763 shares will vest automatically if and when OncoSil Total Shareholder Return (TSR) achieves a compound annual growth rate (CAGR) of 10%, provided that the Participant has been continuously employed with the Company at the time the CAGR achieves 10% – 5 year loan.
- The second tranche of 1,069,761 shares will vest automatically if and when OncoSil Total Shareholder Return (TSR) achieves a compound annual growth rate (CAGR) of 20%, provided that the Participant has been continuously employed with the Company at the time the CAGR achieves 20% – 5 year loan.

Set out below are the vested and unreleased performance dependent loan shares subject to loan repayment at the end of the financial year:

## Notes to the financial statements



### Note 29. Share-based payments (continued)

Grant date	Expiry date	2021 Number	2020 Number
07/10/2015	07/10/2018	-	769,231
07/10/2015	07/10/2018	-	769,231
13/01/2016	13/01/2019	-	2,000,000
13/01/2016	13/01/2019	-	2,000,000
13/01/2016	13/01/2019	-	2,500,000
		-	<b>8,038,462</b>

Share based payments were priced using a Monte-Carlo simulation to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
05/11/2020	05/11/2025	\$0.15	\$0.13	91.00%	0.25%	\$0.102

During the year 10,862,730 (2020: 2,139,524) performance dependent loan shares were granted to KMP and employees under the Group's Employee Share Plan. In the prior year, a review of all existing outstanding performance dependent loan shares granted to KMP and employees resulted in the reversal of the cumulative share-based payment expenses in 2020 of \$2,564,592. This reversal was a result of a reduction in the probability of achieving performance conditions attaching to these shares granted.

#### Terms of limited recourse loan arrangement

The loans issued are limited recourse such that on the repayment date the repayment obligation under the loan will be limited to the lesser of:

- (a) the outstanding balance of the loan; and
- (b) the market value of the loan shares on that date.

In addition, where the participant has elected for the performance dependent loan shares to be provided to the Company in full satisfaction of the loan, the Company must accept the loan shares as full settlement of the repayment obligation under the loan.

The total value of loans outstanding under the Employee Share Plan at reporting date was \$3,833,834 (2020: \$8,956,464).

The weighted average remaining contractual life of loan shares outstanding at the end of the financial year was 31 months (2020: 12 months).

#### Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Monte-Carlo option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option during the last 2 years (Black-Scholes model has been used before).

## Notes to the financial statements



The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### Note 30. Events after the reporting period

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Directors' declaration




### In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company 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.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Signed 

Date: 18 August 2021

**Dr Chris Roberts AO**  
Non-Executive Chairman

Sydney

# Independent auditor's report to the members of OncoSil Medical Ltd



**Crowe Sydney**  
ABN 97 895 683 573

Level 15 1 O'Connell Street  
Sydney NSW 2000  
Australia

Tel +61 2 9262 2155  
Fax +61 2 9262 2190  
[www.crowe.com.au](http://www.crowe.com.au)

## Independent Auditor's Report to the Members of OncoSil Medical Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of OncoSil Medical Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of 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 30 June 2021 and of its financial performance for the year then ended;
- (b) and 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

© 2021 Findex (Aust) Pty Ltd.

# Independent auditor's report to the members of OncoSil Medical Ltd



## Independent Auditor's Report

OncoSil Medical Ltd

Key Audit Matter	How we addressed the Key Audit Matter
------------------	---------------------------------------

<b>Research and Development Tax Incentive</b> <i>Refer to Note 2, Note 3 and Note 6</i>	
--	--

Under the research and development (R&D) tax incentive scheme, the Group is entitled to receive a 43.5% refundable tax offset of eligible expenditure if its turnover is less than \$20 million per annum, provided it is not controlled by an income tax exempt entity.

The R&D plan is filed with AusIndustry in the following financial year, and based on this filing, the Group receives the incentive in cash. The Group prepared an estimate of its total R&D expenditure to determine the potential claim under the R&D tax incentive legislation.

As at 30 June 2021, the Group had an estimated claim of \$1.08 million relating to the year ended 30 June 2021.

The R&D tax incentive is a key audit matter due to the size of the balance and because interpretation of the R&D tax legislation is required by the Group to assess the eligibility of the R&D expenditure under the scheme.

We performed the following key procedures:

- Agreed the estimate made in previous year to the amount of cash received after lodgement of the R&D tax claim.
- Compared the nature of R&D expenditure included in the current year estimate to the prior year estimate.
- Tested a sample of R&D expenses for eligibility under the R&D Tax Incentive scheme.
- Compared the amount of eligible expenditures used to calculate the estimate to the expenditure recorded in the general ledger.
- Inspected copies of relevant documents lodged with AusIndustry and the ATO related to historic claims.
- Reviewed the related financial statement disclosures.

<b>Going Concern Assessment</b> <i>Refer to Note 2</i>	
---	--

The Group incurred a loss of \$10,324,069 (2020: \$4,263,027) and net cash used in operating activities was \$8,815,401 (2020: \$4,456,079). Notwithstanding the continued losses and operating cash outflows, the financial statements have been prepared on a going concern basis based on the actions undertaken by management as outlined in Note 2 Going Concern in the financial report.

We critically analysed the Group's cashflow forecast that was used to support the going concern assessment, including performing the following procedures:

- Compared costs in the forecast prepared by management with the actual cashflows for FY2021 and obtained justification from management on variances in order to evaluate the validity of management's forecasting processes.
- Interrogated the cashflow and performed a sensitivity analysis over the forecasted revenue and costs.
- Discussed with management the significant assumptions and reviewed supporting documentation for inputs used in the cashflow forecast.
- Reviewed post balance date performance of the entity up to the date of signing the audit report to determine if the business performance was consistent with management's expectations.

## Other Information

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 30 June 2021, but does not include the financial report and our auditor's report thereon.



# Independent auditor's report to the members of OncoSil Medical Ltd



## Independent Auditor's Report

OncoSil Medical Ltd

Our opinion on the financial report does not cover the other information and accordingly 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 ability of the Group 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.

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

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

# Independent auditor's report to the members of OncoSil Medical Ltd



## Independent Auditor's Report

OncoSil Medical Ltd

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

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

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

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

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report from pages 16 to 24 of the annual report for the year ended 30 June 2021.

In our opinion, the remuneration report of OncoSil Medical Ltd., for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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

A handwritten signature in black ink that reads "Crowe Sydney".

**Crowe Sydney**

A handwritten signature in black ink that reads "B Rd".

**Barbara Richmond**  
Partner

18 August 2021  
Sydney

## Shareholder information



The shareholder information set out below was applicable as at 11 August 2021.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	144	-
1,001 to 5,000	499	0.26
5,001 to 10,000	790	0.81
10,001 to 100,000	2,655	13.62
100,001 and over	1,093	85.31
	<b>5,181</b>	<b>100.00</b>
Holding less than a marketable parcel	<b>1,158</b>	<b>0.72</b>

## Notes to the financial statements

### Equity security holders

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
NATIONAL NOMINEES LIMITED	36,386,861	4.59
WEBINVEST PTY LTD (OLSB UNIT A/C)	28,000,001	3.53
BRISPOD NOMINEES PTY LTD (HOUSE HEAD NOMINEE A/C)	27,034,820	3.41
NETWEALTH INVESTMENTS LIMITED (WRAP SERVICES A/C)	24,105,032	3.04
ROJO NERO CAPITAL PTY LTD	18,685,443	2.36
MR GREGORY JOSEPH HARRIS	15,668,733	1.98
CITICORP NOMINEES PTY LIMITED	14,343,188	1.81
MR ROGER ASTON	12,654,416	1.60
TISIA NOMINEES PTY LTD (HENDERSON FAMILY A/C)	9,384,768	1.18
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,993,877	1.01
MR MICHAEL WARRENER	6,962,673	0.88
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT DRP)	6,905,749	0.87
EMATT SECURITIES PTY LTD (NATIONAL EQUITIES SFUND A/C)	6,252,000	0.79
MS NICOLE WILSON	6,099,005	0.77
ALUA CAPITAL PTY LTD	6,000,000	0.76
MR NIGEL LANGE	5,718,303	0.72
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD (DRP A/C)	5,439,928	0.69
ASIA UNION INVESTMENTS PTY LTD	5,000,000	0.63
CABBIT PTY LTD (ROBWILL A/C)	4,636,364	0.59
NEWECONOMY COM AU NOMINEES PTY LIMITED (900 ACCOUNT)	4,479,660	0.57
	<b>251,750,821</b>	<b>31.78</b>

## Notes to the financial statements



### **Unquoted equity securities**

There are no unquoted equity securities.

### **Substantial holders**

There are no substantial holders in the Company.

### **Voting rights**

The voting rights attached to ordinary shares are set out below:

#### **Ordinary shares**

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.



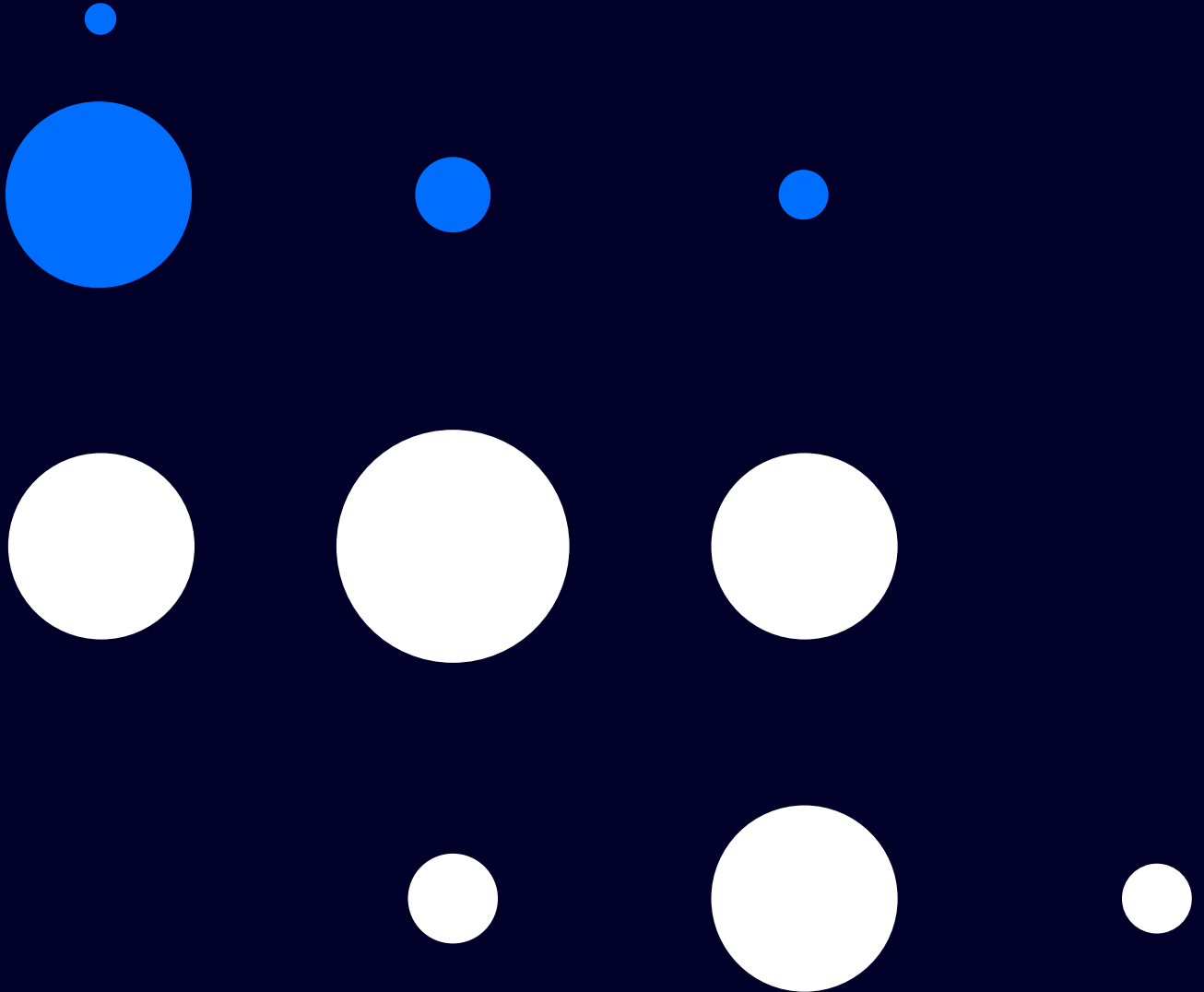
[This page has intentionally been left blank]



[This page has intentionally been left blank]



[This page has intentionally been left blank]



# 2021 Annual Report