Actinogen Medical Half-Year Results

- Significant progress was achieved immediately following the reporting period, with the FDA and MHRA granting regulatory approval of the Company's Phase II trial, XanADu.
- Actinogen also expects regulatory approval from the Australian TGA over the coming weeks.
- Regulatory approvals provide strong endorsement of the development of Xanamem™ and underscore the depth and quality of Actinogen's existing research data.
- Actinogen expects to commence XanADu trial recruitment early in Q2 2017.
- The Company is also planning to support a second Phase II trial of Xanamem™ for the treatment of Diabetes Cognitive Impairment.

Sydney, 27 February 2017: Actinogen Medical (ASX: ACW) is pleased to provide a summary of its progress over the half year ended 31 December 2016.

Clinical Development Progress

Regulatory Approval of XanADu Phase II Trial

Significant progress was achieved immediately following the reporting period, with the United States Federal Drug Administration (FDA) and subsequently, the United Kingdom's Medicines and Healthcare Products Regulatory Agency (MHRA) both granting approval of the Company's Phase II trial, XanADu.

In addition, Actinogen expects regulatory approval for the trial from the Australian Therapeutic Goods Administration (TGA) over the coming weeks.

These regulatory approvals provide strong endorsement of the development of Xanamem™ to treat Alzheimer's disease and underscore the depth and quality of Actinogen's existing research data on Xanamem™.

XanADu is the largest global Alzheimer's dementia study conducted by an Australian biotech company. It is a double-blind, 12-week, randomised, placebo-controlled study and will assess the safety, tolerability and efficacy of Actinogen's lead drug candidate, Xanamem™, in subjects with mild dementia due to Alzheimer's disease. The trial will enrol 174 patients at 20 research sites across Australia, the UK and the USA.

Recruitment for the trial is expected to commence with the first patients being dosed early in the second quarter of 2017 and for recruitment to be complete by October 2018. Actinogen anticipates reporting the initial results in early 2019.

Positive Results of Phase I trial of Xanamem™

In January, Actinogen published the results of its Phase I trial of Xanamem™ in the prestigious British Journal of Pharmacology. The trial demonstrated that the orally administered compound inhibits the production of cortisol in healthy volunteers and that that it reaches the brain at concentrations predicted to inhibit excess cortisol production in the brain.

The trial results were also presented in July 2016 at the world's largest Alzheimer's Dementia scientific meeting which took place in Toronto, Canada.

Other Disease Applications of Xanamem™

In addition to its application in treating Alzheimer's disease, the inhibition of cortisol shows promise in other indications, including type 2 diabetes. Actinogen is planning to support a Phase II trial of Xanamem™ for the treatment of Diabetes Cognitive Impairment. The trial has been proposed by the University of Edinburgh, Actinogen Medical's in-licensing partner and major shareholder.

Patent Protection

The Company was granted patent protection from the United States Patent Office for its Xanamem™ product in July 2016. The patent protects Xanamem™ in the US, along with most other major healthcare markets, including all European countries, the UK, Australia, Japan and China through to 2031 for its use in Alzheimer's disease and other related diseases associated through the inhibition of cortisol.

Financial and Corporate Update

Strong Financial Position

For the half year period, Actinogen Medical received income in the form of an Australian Government R&D Tax Incentive rebate of $2.8 million. This rebate related to work completed in FY2016

The Company reported total expenditure of $2.2 million during the half year, down from the previous corresponding period of $2.6 million. These costs were primarily driven by its R&D activities, preparation for the commencement of its XanADu trial.

Actinogen Medical closed the half year period with $5.8 million cash in the bank.

Outlook

With XanADu now approved by the FDA and the MHRA, and with the TGA approval expected very soon, the Company has reached a pivotal point in its journey where it has a clear clinical path and timeline ahead for XanADu. The management team is focused on ensuring the trial progresses as expected and it looks forward to updating the market on its recruitment progress in the coming months and its clinical trial results in early 2019.

"We have made solid progress over the first half of 2017 and expect to reach some significant milestones over the medium term as we commence recruitment and dosing of patients for the XanADu trial," said Dr Bill Ketelbey, CEO of Actinogen Medical.

"Alzheimer's disease has become one of the biggest public health challenges for modern society. New treatment options are desperately needed and XanADu is designed to demonstrate that Xanamem™ is an effective treatment option for this devastating disease."

ENDS

Actinogen Medical
Dr. Bill Ketelbey
CEO & Managing Director
P: +61 2 8964 7401
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@BillKetelbey

About Actinogen Medical

Actinogen Medical (ASX: ACW) is an ASX-listed biotech company focused on innovative approaches to treating cognitive decline that occurs in chronic neurodegenerative and metabolic diseases. Xanamem™, Actinogen Medical's lead candidate drug, blocks excess production of the stress hormone cortisol in the brain. There is growing evidence that chronic stress and excess cortisol leads to changes in the brain affecting memory, and to the development of amyloid plaques and neural death – all hallmarks of Alzheimer's disease. In 2016, the Company initiated XanADu, a Phase II efficacy and safety trial of Xanamem™ in mild Alzheimer's disease.

About Xanamem™

Xanamem™ is being developed as a promising new therapy for Alzheimer's disease, a condition with a multibillion dollar market potential. In the US alone, the cost of managing Alzheimer's disease in 2013 was estimated to be US$250bn, and is set to increase to US$1 trillion by 2050, outstripping the treatment costs of all other diseases. Alzheimer's disease is now the leading cause of death in the UK and second only to ischaemic hearth disease in Australia. Xanamem™'s novel mechanism of action sets it apart from other Alzheimer's treatments. It works by blocking the excess production of cortisol - the stress hormone - in the hippocampus and frontal cortex, the areas of the brain most affected by Alzheimer's disease.

Actinogen Medical encourages all current investors to go paperless by registering their details with the designated registry service provider, Link Market Services.

Appendix 4D
Half-Year Financial Report

Name of entity

ACTINOGEN MEDICAL LIMITED

ABN or equivalent company reference

14 086 778 476

Current Period: 1 July 2016 to 31 December 2016
(Previous corresponding period: 1 July 2015 to 31 December 2015)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31/12/2016 $	**Up/Down**	**% Movement**
Revenues from ordinary activities	79,981	Down	-11%
Loss after tax from ordinary activities attributable to members	(1,850,807)	Up	59%
Comprehensive loss for the period attributable to members	(1,800,039)	Up	58%

	31/12/2016 $	31/12/2015 $
Net tangible asset per share	0.009	0.015

BRIEF EXPLANATION OF THE ABOVE FIGURES

Revenue from continuing operations largely relates to interest revenue on cash held and dividends received from listed investments.

The total net loss after tax increased to $1,850,807 (2015: $1,164,517). Even though the overall expenditure was lower in the current half year period totalling $1,930,788 (2015: $2,576,284), the prior half-year spend was offset by the research and development refund of $1,321,732 that the Company recorded causing the overall net loss to be lower in the prior period.

For further information, refer to the attached Financial Report and the Operations and Financial Review contained within the Directors' Report which also forms a part of the Financial Report.

Details of entities over which control has been gained or lost during the period
Not applicable. No entity over which control has been gained or lost during the period has occurred.

Dividend / Distribution Payments or Reinvestment Plans
Not applicable. No dividends have been paid or declared during the half-year ended 31 December 2016, in the previous year ended 30 June 2016 or in the previous corresponding period. The Company does not propose to pay dividends, in the immediate future.

Associates / Joint Ventures
Not applicable. Actinogen Medical Limited has not engaged in the acquisition of associates nor has it engaged in any joint ventures in the half-year ended 31 December 2016.

Foreign Entities
Not applicable.

Review Conclusion
This report is based on the financial statements for the half-year ended 31 December 2016. The financial statements have been subject to a review by an independent auditor and the review is not subject to qualification.

Managing Director: Dr. Bill Ketelbey
Date: Monday, 27 February 2017

ACTINOGEN MEDICAL LIMITED

ABN 14 086 778 476

www.actinogen.com.au

FINANCIAL REPORT

For the Half-Year Ended 31 December 2016

CONTENTS PAGE

CORPORATE DIRECTORY

Board of Directors
Managing Director – Dr Bill Ketelbey
Non-Executive Chairman – Dr Jason Loveridge
Non-Executive Director – Dr Anton Uvarov

Company Secretary
Company Secretary - Peter Webse

Principal Place of Business / Registered Office
Level 9, Suite 1, 68 Pitt Street
Sydney NSW 2000

Postal Address
PO Box 271
West Perth WA 6872

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

Share Register
Link Market Services
Level 12
680 George Street
Sydney NSW 2000

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

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

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

GTP Legal
68 Aberdeen Street
Northbridge WA 6003

Bankers
National Australia Bank
1232 Hay Street
West Perth WA 6005

The Directors present their report on Actinogen Medical Limited ("the Company") for half-year ended 31 December 2016.

➢ INFORMATION ON DIRECTORS

Directors

The following Directors were in office throughout the entire financial interim period and up to the date of this report unless stated otherwise.

- Dr Bill Ketelbey – Managing Director (Appointed 18 December 2014 – Current)
- Dr Jason Loveridge – Non-Executive Director (Appointed 1 December 2014 – 30 November 2016), Non-Executive Chairman (Appointed 30 November 2016 – Current)
- Dr Anton Uvarov – Non-Executive Director (Appointed 16 December 2013 - Current)

The following Director/s held office and also resigned during financial interim period:

- Mr Martin Rogers – Non-Executive Chairman (Appointed 1 December 2014; Resigned 30 November 2016)

➢ OPERATIONS AND FINANCIAL REVIEW

Principal activities

The principal activity of the Company during the interim period was on biotechnology focused on the development of novel treatments for Alzheimer's disease and other major age-related neurodegenerative disorders.

Highlights during the first half of 2016/2017 Financial Year

(a) XanADu – Phase II trial of Xanamem in mild Alzheimer's disease
(b) Introducing Xanamem to the Alzheimer's world
(c) Xanamem Pipeline
(d) Research & Development Rebate
(e) Actinogen Board
(f) Investor relations

The second half of 2016 was particularly significant in the development of Xanamem and Actinogen. We moved from planning to implementing our Phase II Alzheimer's research program, with a very clear timeline ahead of us to complete XanADu by the end of 2018. We will now also begin actively seeking a Big Pharma partner to take the development of Xanamem through Phase III and beyond.

(a) XanADu – Phase II trial of Xanamem in mild Alzheimer's disease

Phase II trials are the proof-of-concept studies that define the efficacy of a product and that provide early data on the drug's safety in the patient population. It's the point at which the product begins to establish its true value, both clinically and commercially. We are very pleased therefore to have ended 2016 with the news we have received approval by the Food and Drug Administration (FDA) to conduct XanADu in the US. FDA approval of the Investigational New Drug (IND) is a major milestone for Actinogen and Xanamem and follows an extensive in-depth review by the FDA of all past research and clinical data on Xanamem™ and of the design of the Phase II XanADu clinical trial. This approval provides strong endorsement by the FDA for Xanamem™'s development in Alzheimer's disease and underscores the depth and quality of Actinogen's existing research data on Xanamem™.

We shortly expect to receive similar approvals from regulatory authorities in Australia and the UK, and for the trial to begin actively recruiting patients by Q2, 2017. The last patient is scheduled to be recruited in October 2018, with top-line study results in Q1 2019.

(b) Introducing Xanamem to the Alzheimer's world

While strong independent evidence has been building to support the cortisol hypothesis and Xanamem's mechanism of action as a treatment for Alzheimer's disease, until mid-2016 Xanamem itself had very little exposure in the Alzheimer's research literature.

In July 2016 Actinogen initiated a comprehensive program of presenting and publishing our Xanamem research data. By the year end, we had presented at five major medical congresses, including the pre-eminent Alzheimer's Association International Congress (AAIC) and Clinical Trials in Alzheimer's Disease (CTAD), as well as the International Congress of Endocrinology. We had also published our Phase I data in a prestigious peer-reviewed medical journal, the *British Journal of Pharmacology,* having earlier published our animal research data in *Endocrinology*. All of this served to significantly raise the profile of Xanamem as a very promising novel treatment for Alzheimer's disease.

Xanamem™'s novel mechanism of action differentiates it from other Alzheimer's drugs under development. Xanamem™ has been specifically designed to block excess production of cortisol, the stress hormone, in the areas of the brain most affected in Alzheimer's disease. Raised cortisol has been strongly associated with Alzheimer's disease and lowering cortisol in the brain is seen as an important new target for treating Alzheimer's disease

A number of large independent studies have been published that reaffirm this association between cortisol and the development and progression of Alzheimer's disease. One of the most compelling studies, funded by the CSIRO and a number of research institutes in Australia, and published late last year by the Australian Imaging, Biomarker & Lifestyle (AIBL) research consortium in Australia in collaboration with Yale Medical School and the US Department of Veterans Affairs, confirmed the clear link between excess cortisol and the development of Alzheimer's disease. The paper concluded, that their findings indicate that therapies targeted toward lowering plasma cortisol should be considered as a way to prevent the development of Alzheimer's disease. This new research provides further convincing endorsement for Xanamem's mechanism of action as a promising new treatment for Alzheimer's disease.

(c) Xanamem Pipeline

While Alzheimer's disease alone presents an immensely attractive investment opportunity, Xanamem, through the inhibition of cortisol production, presents several other potential indications worth investing in. The most advanced opportunity and one in which we plan to support a Phase II trial, is Diabetes Cognitive Impairment. This indication has been proposed as an Investigator Initiated Trial, sponsored by the University of Edinburgh, and we expect to initiate this Phase II study in 2017, alongside XanADu.

(d) Research and Development Rebate

Actinogen Medical has been approved for the Commonwealth Government R&D tax rebate for three years. We received our second annual rebate of $2.78m in September 2016.

(e) Actinogen Board

Martin Rogers stepped down as Chairman at the AGM in November 2016, and Jason Loveridge took over as interim Chairman pending the recruitment of a replacement.

(f) Investor Relations

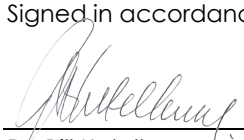
In September 2016, an update was published to the Baker Young analyst research entitled: *Actinogen Medical – Best Risk vs Reward Play in Alzheimer's Dementia.* This report details the investment opportunity presented by ACW, with Baker Young estimating Actinogen's target share price at $0.39, against the current share price of around $0.06.

In Xanamem, Actinogen Medical has very promising technology, one that is increasingly endorsed by independent research and Alzheimer's key opinion leaders alike. We are making excellent progress with our Alzheimer's research plans and we are in a secure financial position to implement the research. We look forward to the progress we'll make in 2017 and to updating all investors over the next few months on the initiation of XanADu, and as we ramp up recruitment with the goal of the final patient going on study in October 2018.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2016 has been received and is set out on page 7.

Signed in accordance with a resolution of the Directors, and is signed for on behalf of the Board by:



Dr. Bill Ketelbey
Managing Director

Date: Monday, 27 February 2017
Sydney, New South Wales

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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Building a better working world

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

As lead auditor for the review of Actinogen Medical Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Actinogen Medical Limited and the entities it controlled during the financial period.

Ernst & Young

T Dachs
Partner
27 February 2017

ACTINOGEN MEDICAL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	**Half-year ended 31/12/2016** $	Half-year ended 31/12/2015 $
Revenue from continuing operations		79,981	90,035
Other income		-	1,321,732
Total revenue & other income	4	79,981	1,411,767
Business development		(147,632)	(302,274)
Corporate administration expenses		(344,016)	(311,489)
Research & development expenses		(1,300,386)	(1,595,070)
Finance costs		(4,364)	(3,222)
Share-based payment expenses	13	46,618	(221,546)
Amortisation expense		(176,750)	(178,203)
Depreciation expense	9	(4,258)	(4,716)
Other expenses		-	40,236
Total expenses		(1,930,788)	(2,576,284)
Loss Before Income Tax		**(1,850,807)**	(1,164,517)
Income tax benefit/(expense)		-	-
Loss for the Half-year		**(1,850,807)**	(1,164,517)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Net fair value gain/(losses) for available-for-sale listed investments		50,768	25,782
Total comprehensive loss for the Half-year		**(1,800,039)**	(1,138,735)
Earnings/(loss) per share for attributable to the ordinary equity holders of the company			
Basic loss per share (cents)		**(0.304)**	(0.192)
Dilutive loss per share (cents)		**(0.304)**	(0.192)

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

ACTINOGEN MEDICAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	**Half-year ended 31/12/2016** $	Full-year ended 30/06/2016 $
CURRENT ASSETS			
Cash and cash equivalents	5	2,598,293	751,978
Trade and other receivables	7	181,369	2,966,280
Available-for-sale listed investments	8	3,077,403	4,025,987
TOTAL CURRENT ASSETS		**5,857,065**	7,744,245
NON-CURRENT ASSETS			
Property, plant and equipment	9	5,127	8,358
Intangible assets	10	5,020,204	5,196,954
TOTAL NON-CURRENT ASSETS		**5,025,331**	5,205,312
TOTAL ASSETS		**10,882,396**	12,949,557
CURRENT LIABILITIES			
Trade and other payables	11	555,479	783,968
Provision for employee entitlements		48,220	40,235
TOTAL LIABILITIES		**603,699**	824,203
NET ASSETS		**10,278,697**	12,125,354
EQUITY			
Contributed equity	12	26,308,391	26,308,391
Reserve shares	12	(1,140,000)	(1,140,000)
Reserves	13	6,848,801	6,844,651
Accumulated losses		(21,738,495)	(19,887,688)
TOTAL EQUITY		**10,278,697**	12,125,354

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

ACTINOGEN MEDICAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Half-year ended 31/12/2016	**Contributed Equity $**	**Accumulated Losses $**	**Available-for-sale Reserve $**	**Option Reserve $**	**Reserve Shares $**	**Total $**
Balance as at 1/7/2016	**26,308,391**	**(19,887,688)**	**22,272**	**6,822,379**	**(1,140,000)**	**12,125,350**
Loss for the half-year	-	(1,850,807)	-	-	-	(1,850,807)
Other comprehensive income	-	-	50,768	-	-	50,768
Total comprehensive income for the half-year	-	(1,850,807)	50,768	-	-	(1,800,039)
Transactions with equity holders in their capacity as equity holders						
Shares issued during the half-year	-	-	-	-	-	-
Share-based payments	-	-	-	(46,618)	-	(46,618)
Capital raising costs	-	-	-	-	-	-
Balance as at 31/12/2016	**26,308,391**	**(21,738,495)**	**73,040**	**6,775,761**	**(1,140,000)**	**10,278,697**

Half-year ended 31/12/2015	Contributed Equity $	Accumulated Losses $	Available-for-sale Reserve $	Option Reserve $	Reserve Shares $	Total $
Balance as at 1/7/2015	26,254,891	(16,253,934)	-	6,495,651	(1,140,000)	15,356,608
Loss for the half-year	-	(1,164,517)	-	-	-	(1,164,517)
Other comprehensive income	-	-	25,782	-	-	25,782
Total comprehensive income for the half-year	-	(1,164,517)	25,782	-	-	(1,138,735)
Transactions with equity holders in their capacity as equity holders						
Shares issued during the half-year	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-
Share-based payments	-	-	-	221,546	-	221,546
Balance as at 31/12/2015	26,254,891	(17,418,451)	25,782	6,717,197	(1,140,000)	14,439,419

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

ACTINOGEN MEDICAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	**Half-year ended 31/12/2016** $	Half-year ended 31/12/2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		65,972	-
Interest received		14,009	90,035
Interest paid		(4,364)	(3,426)
Payments to suppliers and employees		(491,685)	(535,916)
Payments for research and development		(1,383,483)	(1,500,857)
Research and development tax offset		2,784,313	-
Net cash inflow/(outflow) from operating activities		**984,762**	(1,950,164)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,028)	(12,061)
Payments for acquisition of available-for-sale financial assets - listed investments		-	(5,140,639)
Proceeds on disposal of available-for-sale listed investments		999,352	-
Net cash inflow/(outflow) from investing activities		**998,324**	(5,152,700)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**-**	**-**
Transaction costs associated with issue of shares		-	-
Net cash inflow from financing activities		**-**	-
Net increase/(decrease) in cash and cash equivalents		**1,983,086**	(7,102,864)
Cash and short-term deposits at beginning of the half year		751,978	9,805,610
CASH AND SHORT-TERM DEPOSITS AT END OF THE HALF-YEAR		**2,735,064**	2,702,746

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

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY

a) Basis of preparation

The interim financial statements for the half-year ended 31 December 2016 is a general purpose condensed financial report prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual statements for the year ended 30 June 2016 and any public announcements made by Actinogen Medical Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The half-year report has been prepared on an accruals basis and on the basis of historical costs and does not take into account changing money values or, except for available-for-sale investments which are recognised at fair value. The financial statements have been prepared on a going concern basis.

b) Going concern basis

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a total comprehensive loss for the period ended 31 December 2016 of $1,800,039 (31 December 2015: $1,138,735) and experienced net cash inflows from operating activities of $984,762 (31 December 2015: outflows of $1,950,164).

The Company remains dependent on its ability to raise funding in volatile capital markets. However, the directors continue to believe that the going concern basis of accounting by the Company is appropriate as the Company has successfully completed capital raisings during previous reporting periods, most recently during the year-ended 30 June 2015, notwithstanding the challenging conditions in equity markets.

In consideration of the above matters, the Directors have determined that it is reasonably foreseeable that the Company will continue as going concern and that it is appropriate that the going concern method of accounting be adopted in the preparation of the financial statements. In the event that the Company is unable to continue as a going concern (due to inability to raise future funding requirements), it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

Accordingly, the financial statements do not include adjustments relating to the recoverability and classification of assets amount or to the amounts and classification of liabilities that might be necessary if the consolidated entity does not continue as going concern.

Changes in accounting policies

Except as disclosed below, the half-year financial report has been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2016.

The Company has adopted all new and amended Accounting Standards and interpretations mandatory from 1 July 2016, including:

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 *Property Plant and Equipment* and AASB 138 *Intangible Assets* both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016
AASB 1057	Application of Australian Accounting Standards	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where possible. The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.	1 January 2016	1 July 2016
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 *Non-current Assets Held for Sale and Discontinued Operations:* • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 *Financial Instruments: Disclosures:* • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 *Disclosure–Offsetting Financial Assets and Financial Liabilities* is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 *Interim Financial Reporting* when its inclusion would be required by the requirements of AASB 134. AASB 119 *Employee Benefits*: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard*	Application date for Group*
		depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 *Interim Financial Reporting:* Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.		
AASB 2015-9	Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]	This Standard inserts scope paragraphs into AASB 8 and AASB 133 in place of application paragraph text in AASB 1057. This is to correct inadvertent removal of these paragraphs during editorial changes made in August 2015. There is no change to the requirements or the applicability of AASB 8 and AASB 133.	1 January 2016	1 July 2016

The adoptions of the above amendments had no material impact on the financial position or financial performance of the Company.

2. DIVIDENDS

No dividends were paid or proposed during the half-year ended 31 December 2016.

3. SEGMENT INFORMATION

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

4. REVENUE

	Half-year ended 31/12/2016 $	Half-year ended 31/12/2015 $
Revenue		
Dividends Received	65,972	-
Interest Revenue	14,009	90,035
	79,981	90,035
Other income		
Research and development rebate	-	1,321,732
Total other income	-	1,321,732
Total revenue	**79,981**	1,411,767

During the half-year the Company received $2,784,312 in other income which related to the research and development tax rebate receivable as at 30 June 2016. The actual amount refunded by the ATO on 2 September 2016 exceeded the receivable amount recognised in respect of the 2016 financial year.

5. CASH AND CASH EQUIVALENTS

	As at 31/12/2016 $	As at 30/06/2016 $
Cash at bank and on hand	2,598,293	648,961
Short term deposits	-	103,017
Total cash and cash equivalents	**2,598,293**	751,978

During the half-year the Company received $2,784,312 on 2 September 2016 that related to the research and development tax rebate receivable as at 30 June 2016, in respect of the 2016 financial year. This refund largely attributed to the increase in cash position during the half-year; and the closing cash position of $2,598,293 as at 31 December 2016.

When combined with the $3,077,403 in available-for-sale listed investments that the Company holds at half-year end and $136,771 in short-term deposits, this equates to $5,812,487.

The available-for-sale listed investments comprise securities from major banks which are considered low risk investments that are readily convertible to cash. As at 30 June 2016, the balance of the Company's investments were valued at $4,025,987. Since then, the Company sold a further $999,352 of these investments, and recognised an unrealised gain of $50,768 leaving the Company with listed investments valued at $3,077,403 as at 31 December 2016.

In addition, the Company received $65,972 in dividends during the half-year from holding these listed investments. Refer to Financial Statements, Note 8: Available-for-sale Listed Investments for further information.

Expenditure is in line with the anticipated spend as set out in various announcements issued by the Company; and funds have been applied primarily to support the Phase II study of Xanamem™, and to support general working capital.

6. FINANCIAL INSTRUMENTS

Set out below is an overview of the financial instruments held by the Company as at 31 December 2016:

As at 31/12/2016	Cash and cash equivalents $	Loan and receivables $	Available-for-sale $
Financial assets:			
Available-for-sale-investments	-	-	3,077,403
Total non-current	**-**	**-**	**3,077,403**
Cash & cash equivalents	2,598,293	-	-
Trade and other receivables	-	181,369	-
Total current	**2,598,293**	**181,369**	**-**
Total assets	**2,598,293**	**181,369**	**3,077,403**
Financial liabilities:			
Trade and other payables	-	555,479	-
Total current	**-**	**555,479**	**-**
Total liabilities	**-**	**555,479**	**-**
Net exposure	**2,598,293**	**(374,110)**	**3,077,403**

As at 30/6/2016	Cash and cash equivalents $	Loan and receivables $	Available-for-sale $
Financial assets:			
Available-for-sale-investments	-	-	4,025,987
Total non-current	-	-	4,025,987
Cash & cash equivalents	751,978	-	-
Trade and other receivables	-	2,966,280	-
Total current	751,978	2,966,280	-
Total assets	751,978	2,966,280	4,025,987
Financial liabilities:			
Trade and other payables	-	783,968	-
Total current	-	783,968	-
Total liabilities	-	783,968	-
Net exposure	751,978	2,182,312	4,025,987

Fair Value Measurements

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

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

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

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

The following tables present the Company's assets measured and recognised at fair value at 31 December 2016 and 30 June 2016.

As at 31/12/2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Available-for-sale financial investments	3,077,403	-	-	**3,077,403**
Total financial assets	**3,077,403**	**-**	**-**	**3,077,403**

As at 30/6/2016	Level 1	Level 2	Level 3	Total
Financial assets:				
Available-for-sale financial investments	4,025,987	-	-	4,025,987
Total financial assets	4,025,987	-	-	4,025,987

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

Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 31 December 2016. The carrying value of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature.

As at 31/12/2016	Carrying amount $	Fair value $
Financial assets:		
Available-for-sale-investments	3,077,403	3,077,403
Trade and other receivables	181,369	181,369
Total current	**3,258,772**	**3,258,772**
Total financial assets	**3,258,772**	**3,258,772**
Financial liabilities:		
Trade and other payables	555,479	555,479
Total current	**555,479**	**555,479**
Total financial liabilities	**555,479**	**555,479**

7. TRADE AND OTHER RECEIVABLES

	As at 31/12/2016 $	As at 30/06/2016 $
Prepayments (a)	6,947	37,692
Goods and services tax receivable (b)	37,651	323,193
Research and development tax rebate receivable	-	2,605,395
Short-term deposits (c)	136,771	-
Total trade and other receivables	**181,369**	2,966,280

(a) Prepayments

This amount relates to prepaid insurances.

(b) Goods and services tax receivable

This amount relates to good and services tax (GST) paid during the quarter ended 31 December 2016 that is refundable to the Company.

(c) Short-term deposit

This amount relates to deposits held with the National Australian Bank (NAB) for the credit cards issued by the NAB to Actinogen; and the bank guarantee that the Company had to take out in order to secure and rent office space at Level 9, Suite 1, 68 Pitt Street, Sydney, NSW, 2000.

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

8. AVAILABLE-FOR-SALE LISTED INVESTMENTS

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

	As at 31/12/2016 $	As at 30/06/2016 $
Listed investments at fair value	3,077,403	4,025,987
Fair value	**3,077,403**	4,025,987

Movements during the period

	Half-year ended 31/12/2016 $	Year ended 30/06/2016 $
At beginning of the period	4,025,987	-
Purchases of available-for-sale listed investments	-	6,000,225
Disposal of available-for-sale listed investments	(999,352)	(1,996,510)
Unrealised gain/(loss) on listed investments	50,768	22,272
At end of the period	**3,077,403**	4,025,987

9. PROPERTY, PLANT AND EQUIPMENT

	As at 31/12/2016 $	As at 30/06/2016 $
At cost	23,950	22,923
Accumulated depreciation	(18,823)	(14,565)
Total computer equipment and general pool assets	**5,127**	8,358

Movements during the period

	Plant and Equipment	**Office Equipment**	**Computer Equipment**	**General Pool**	**Total**
Balance at 1/7/2016	-	-	3,819	4,538	8,357
Acquisitions	-	-	-	1,028	1,028
Depreciation	-	-	(2,613)	(1,645)	(4,258)
Balance at 31/12/2016	**-**	**-**	**1,206**	**3,921**	**5,127**

	Plant and Equipment	Office Equipment	Computer Equipment	General Pool	Total
Balance at 1/7/2015	-	-	3,631	3,124	6,755
Acquisitions	-	-	8,383	3,677	12,060
Depreciation	-	-	(3,501)	(1,215)	(4,716)
Balance at 31/12/2015	-	-	8,513	5,586	14,099
Acquisitions	-	-	-	400	400
Depreciation	-	-	(4,694)	(1,448)	(6,142)
Balance at 30/6/2016	-	-	3,819	4,538	8,357

10. INTANGIBLE ASSETS

	As at 31/12/2016 $	As at 30/06/2016 $
At cost	5,756,744	5,756,744
Accumulated amortisation	(736,540)	(559,790)
Total intangible assets	**5,020,204**	5,196,954

Movements during the period

	Intellectual Property $
Balance as at 1/7/2016	5,196,954
Acquisitions	-
Amortisation expense	(176,750)
Balance as at 31/12/2016	**5,020,204**
Balance as at 1/7/2015	5,551,423
Acquisitions	-
Amortisation expense	(354,469)
Balance as at 30/6/2016	5,196,954

11. TRADE AND OTHER PAYABLES

	As at 31/12/2016 $	As at 30/06/2016 $
Trade payables	139,463	689,777
Accruals and other payables	377,592	26,810
NAB credit cards	9,913	1,916
Payroll tax payable	-	32,514
PAYG & superannuation payable	28,511	32,951
Total trade and other payables	***555,479***	783,968

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

12. ISSUED CAPITAL

	As at 31/12/2016 $	As at 30/06/2016 $
Fully paid ordinary shares 606,693,558	28,588,391	28,588,391
Capital raising costs	(2,280,000)	(2,280,000)
Total contributed equity	**26,308,391**	26,308,391

Movements in ordinary shares issued and fully paid during the period

There were no movements in ordinary shares issued and fully paid during the half-year.

	Date	**Quantity**	**Unit Price $**	**Total $**
Balance carried forward 1 July 2015		606,158,558		26,254,891
Issue of shares pursuant to service agreements	6/05/2016	535,000	0.100	53,500
Balance at 30/6/2016		606,693,558		26,308,391
Balance at 31/12/2016		**606,693,558**		**26,308,391**

Movements in reserve shares issued during the period

There were no movements in reserve shares issued and fully paid during the half-year.

	Date	**Quantity**	**Unit Price $**	**Total $**
Reserve shares (loan shares)	3/12/2014	(33,000,000)	$ 0.02	(660,000)
Reserve shares (loan shares)	12/12/2014	(12,000,000)	$ 0.04	(480,000)
Balance at 30/6/2016		(45,000,000)		(1,140,000)
Balance at 31/12/2016		**(45,000,000)**		**(1,140,000)**

13. RESERVES

	As at 31/12/2016 $	As at 30/06/2016 $
Available-for-sale reserve	73,040	22,272
Option reserve	6,775,761	6,822,379
Total reserves	**6,848,801**	6,844,651

Movements in available-for-sale reserve during the period

	Half-year ended 31/12/2016 $	Year ended 30/06/2016 $
Available for sale reserve		
Opening balance	22,272	-
Unrealised gain/(loss) on available-for-sale listed investments	50,768	22,272
Closing balance	**73,040**	22,272

Movements in option reserve during the period

The Option Reserve is used to recognise the value of equity-settled share-based payments on valuation of Director and employee share options and Facilitator Options. Details in movement in option reserves is shown below.

	Half-year ended 31/12/2016 $	Year ended 30/06/2016 $
Option Reserve		
Opening balance	6,822,379	6,495,651
Share-based payment expenses	(46,618)	326,728
Closing balance	**6,775,761**	6,822,379

The share-based payment expense comprises the following:

(a) Employee Loan Shares already on issue that due to the vesting conditions attached to them represent an option arrangement. Subsequently they are expensed over the vesting period attached to the Loan Shares. During the half-year the Company recognised $106,337 in share-based payments expense through the statement of comprehensive income in connection with these Loan Shares. In addition a total of $152,955 was reversed representing the amount of option expense recognised in respect of Employee Loan Shares to Mr. Martin Rogers who resigned on 30 November 2016 and lost entitlement to the Loan Shares.

(b) During the half-year, on 7 July 2016, the Company issued 1,700,000 share options granted to employees under an Employee Option Plan. The value of these options are to be expensed over the vesting period attached to these options, this being the achievement of certain non-market conditions by 31/12/16. Since this vesting condition was not met, the Company has not recognised any expense in relation to those options during the half-year.

14. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities or assets as at 31 December 2016 (2015: Nil).

15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 3 January 2017, the Company announced that the US Food and Drug Administration (FDA) approved their Investigational New Drug (IND) application to initiate XanADu, a Phase II clinical trial of Xanamem™ in mild Alzheimer's disease, in the US. Refer to the Company's ASX announcement released on 3 January 2017.

Other than what is stated above, no other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of the entity in subsequent reporting periods.

ACTINOGEN MEDICAL LIMITED
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

In accordance with a resolution of the Directors of Actinogen Medical Limited, I state that:

(a) The financial statements and notes set out on pages 8 to 23 are in accordance with the Corporations Act 2001, including:

   i. complying with Accounting Standard AASB 134 Interim Financial Reporting, and the Corporations Regulations 2001; and
   ii. giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the half-year ended on that date, and,

(b) Subject to the disclosure in Note 1(b) "Going concern basis", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dr. Bill Ketelbey
Managing Director / Chief Executive Officer
Date: Monday, 27 February 2017
Sydney, New South Wales

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Building a better working world

To the members of Actinogen Medical Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Actinogen Medical Limited which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Actinogen Medical Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Actinogen Medical Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1(b) to the financial report which describes the principal conditions that raise doubts about the Company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

T G Dachs
Partner
Perth
27 February 2017