oncosil
MEDICAL

Annual Report 2019

About OncoSil™

OncoSil Medical is an Australian-based and ASX listed medical device company focused on localised treatments for patients with pancreatic and liver cancer. The Group's lead product, OncoSil™, is a first in class medical device comprising Microparticles containing Phosphorus-32 (P-32), a pure beta-emitter radioisotope, implanted directly into a patient's pancreatic tumour via an endoscopic ultrasound. This treatment, known as brachytherapy, is intended to deliver more concentrated and localised radiation.

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Chairman's Letter

Dear Shareholder,

On behalf of the OncoSil Medical Board, I am pleased to present our 2018-2019 Annual Report.

In July 2018, the final patient was recruited in the PanCO trial, which is the main clinical trial OncoSil™ has been running (in Australia, UK and Belgium) to collect safety and effectiveness data on the OncoSil device for treating non resectable pancreatic cancer. Thus, the focus of the company for Fiscal 2019 has been collecting and analysing these PanCO clinical data, with the aim of obtaining European regulatory approval (CE Mark).

Despite the initial unfavourable assessment from the British Standards Institute (BSI) and its Clinical Oversight Committee (COC) regarding the CE Marking application submitted last year for the OncoSil™ device, we have since submitted updated clinical data and analysis from the positive results seen in the PanCO study.

Our comprehensive response to BSI was developed and prepared with the support of leading, pre-eminent medical experts, addressing issues and concerns from BSI and the COC. Obtaining CE Marking remains the Company's focus in the short term and we look forward to updating investors on developments on this front.

Clinical data from the PanCO study were presented at the American Society of Clinical Oncology (ASCO) Annual Meeting 2019 in Chicago. The study data showed promising overall survival estimates for these patients with non resectable locally advanced pancreatic cancer (LAPC), with mean overall survival of 16 months. This is a significant result given the accepted population median overall survival estimates of patients is only 9 – 11 months.

Of the 42 patients implanted with OncoSil™ in the PanCO trial, 10 patients have undergone surgical resection of the tumour with curative intent. This is remarkable given the patients were not candidates for surgery prior to implantation, and is indicative of the effect radiation has had on shrinking tumours.

In December 2018 we strengthened the Board with the addition of Michael Bassett. Mr Bassett has an extensive background in capital markets and small-cap ASX stocks with a particular emphasis on life science companies.

On behalf of the Board, I would like to thank our Chief Executive Officer Daniel Kenny, and the entire OncoSil Medical team for their contributions throughout the year. I would also like to thank the Board for their tireless efforts in 2019.

We look forward to building on our recent momentum for the OncoSil™ device as we continue to make a difference through our important mission of transforming the prognosis of pancreatic cancer.

Sincerely,

Dr Chris Roberts, AO

Chairman, OncoSil Medical

CEO's Report

In 2019, OncoSil's primary focus was to continue its efforts to commercialise our lead device, OncoSil™.

The Company achieved a number of key clinical and operational milestones as it continues to bring the OncoSil™ device to market.

In October 2018, the Company submitted its Clinical Evaluation Report to the British Standards Institute (BSI) in support of CE Marking based on the results from the PanCO study. In March 2019, BSI and its Clinical Oversight Committee (COC) notified OncoSil of its initial unfavourable assessment of the Company's CE Marking application.

On 30 July, the Company submitted a detailed and comprehensive response to questions raised by BSI and its Clinical Oversight Committee. This response was developed and prepared with the support of leading, pre-eminent experts in medical oncology, radiation oncology and Hepato-Pancreato-Biliary surgery.

We believe our submission is robust and addresses all issues and concerns from the notified body and look forward to updating shareholders on progress to the final CE Marking determination.

Clinical advancements

In July 2018, OncoSil successfully completed patient recruitment for its PanCO study across all participating sites in Australia, the UK and Belgium – with 50 patients enrolled in total. 42 of these patients were subsequently implanted with the OncoSil™ device.

With a median follow-up of 16.1 months (as of May 2019), the PanCO study results now provide a long-term assessment of the safety and tolerability of the OncoSil™ device, as well as clearly demonstrating clinically relevant benefits for patients with unresectable locally advanced pancreatic cancer including:

- Local Disease Control Rate (LDCR) at 16 weeks of 90.5% (N=42, p<0.0001), a positive and important independent prognostic indicator for Overall Survival
- Prolonged median Overall Survival of 16.0 months in the per protocol population (implanted)
- Encouraging rate of surgical resection with curative intent – in nearly one in four PanCO patients (23.8%) that received OncoSil™. The rate of R0 margin status was 80%. Surgical resection of pancreatic cancer, particularly in patients previously determined to be unresectable, profoundly improves patients prognosis from a five-year survival rate of 5% to greater than 20%.

"We believe our submission is robust and addresses all issues and concerns from the notified body and look forward to updating shareholders on progress to the final CE Marking determination."

The Overall Survival result is comparable to, and in many cases surpasses that of the best available published literature in patients with locally advanced pancreatic cancer (LAPC). Using these data, we have submitted our formal response to the initial unfavourable assessment by the British Standards Institute (BSI) and its Clinical Oversight Committee (COC) for CE Marking for the OncoSil™ device.

Additionally, in 2019, US FDA confirmed the PanCO (ex-US) clinical study safety data met Investigational Device Exemption (IDE) requirements and that OncoSil could proceed to run its full US pivotal study without further US patient data. The Company's US OncoPaC-1 clinical study has since completed patient recruitment, with 9 patients enrolled and implanted with the OncoSil™ device.

As part of our commercialisation strategy, during the year, we also appointed IQVIA as the EU market access and reimbursement advisor. We continue to work with the group in the lead up to the COC's review and final CE Marking determination.

Financial position

The net cash outflow from operations for the year was $7.5 million, resulting in a cash balance of $7.7 million as at 30 June.

As a precaution, since the third quarter of the financial year, OncoSil has been operating under a revised business plan as it awaits CE Marking decision.

We have targeted a reduction in annualised cash cost base through reductions in operating expenditure, R&D expenditure and have also paused new clinical trial and study activities until greater certainty around CE Marking is achieved.

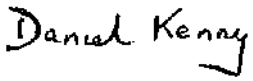
OncoSil intends to continue with such measures in the future with the aim of maximizing long-term shareholder value with respect to the road ahead.

Finally, we understand that the road to commercialisation is not always a straightforward path, and so we would like to thank our shareholders for their continued support and investment in OncoSil Medical during the year.

With our recent response to the BSI and COC, coupled with the positive Overall Survival data and other encouraging clinical results from the PanCO study, we remain positive of the significant milestones ahead for OncoSil.

We look forward to building on our accomplishments to date throughout 2020, as we work towards commercialising our device and improving patient outcomes in the area of pancreatic cancer.

Sincerely,



Daniel Kenny

Chief Executive Officer,
OncoSil Medical

An incredibly important focus

About Pancreatic Cancer

Pancreatic cancer occurs when abnormal cells in the pancreas grows out of control, with symptoms varying according to the tumour type and location. Unfortunately, symptoms are often difficult to detect in the early stages of the disease, meaning tumours can grow over time without detection.

There are an average of 79,000 new cases of pancreatic cancer in the EU each year, 42,000 in the US, and 3,350 in Australia. Treatment options remain limited for patients with the disease, making OncoSil's goal of delivering targeted and effective therapy incredibly important.

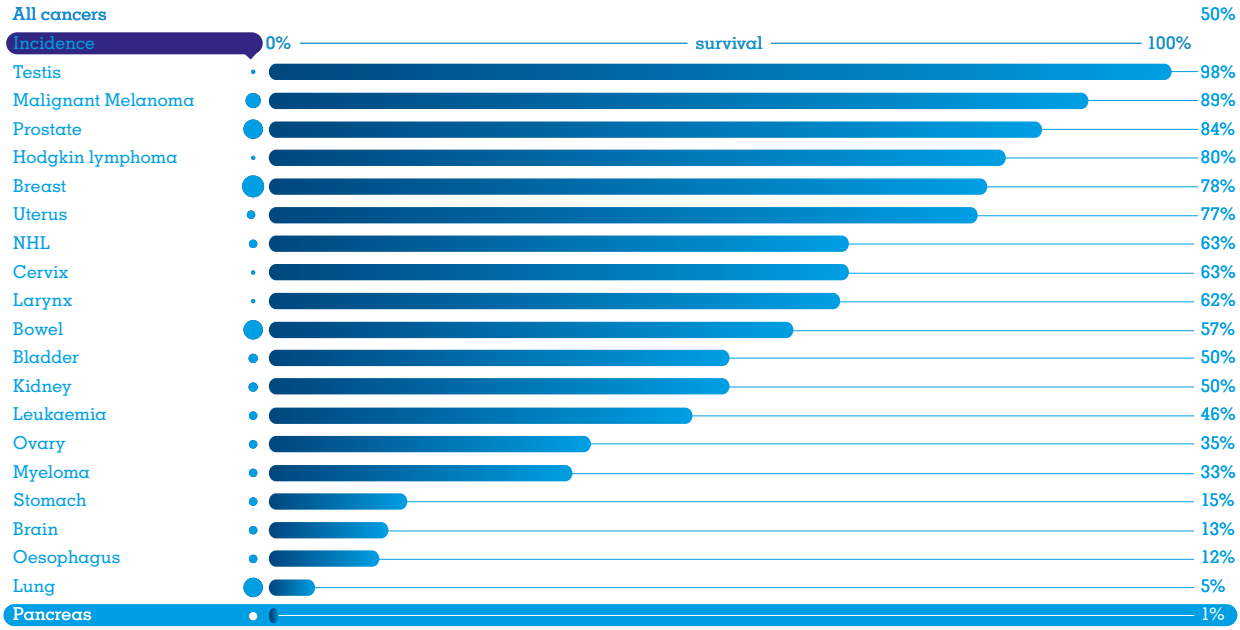
What's the need?

There is significant unmet patient need in the treatment of pancreatic cancer. Consider the following pancreatic cancer facts:

- The fourth highest cause of cancer death[1]
- Projected to be the second leading cause of cancer related deaths by 2030 in Western countries[2]
- 277,000 new cases diagnosed annually worldwide[3]
- 5-year overall survival rate for pancreatic cancer has only increased by 1% (from 5% to 6%) in the past three decades[4]
- Highest mortality rate of all major cancers[5]
- 1 in 64 – The average lifetime risk of a person diagnosed with pancreatic cancer[6]

1% SURVIVAL RATE

Age-Standerdised Ten-Year Net Survival, Selected Cancers, Adults (Aged 15-99) England and Wales, 2010-201



[1] Spadi, R. et al. (2016) Current therapeutic strategies for advanced pancreatic cancer: A review for clinicians. World Journal of Clinical Oncology Vol 7 Issue 1 pp 27-43.
[2] Ibid.
[3] Chiorean, E. G and Coveler, A.L. (2015) Pancreatic cancer: optimizing treatment options, new, and emerging targeted therapies. Drug Design, Development and Therapy Vol 9 pp 3529-3545.
[4] Ibid.
[5] Hirshberg Foundation for Pancreatic Cancer Research, Pancreatic Cancer Facts http://pancreatic.org/pancreatic-cancer/pancreatic-cancer-facts/
[6] American Cancer Society, Lifetime risk of pancreatic cancer, https://www.cancer.org/cancer/pancreatic-cancer/about/key-statistics.html

OncoSil™ device and technology platform

OncoSil™ is a single-use brachytherapy device that implants a pre-determined dose of beta radiation directly into cancerous tissue. The beta particles emitted by OncoSil™ travel a short distance in the tissue causing damage to cancer cell DNA, which renders them incapable of further cell division and proliferation.

The device is used for the treatment of pancreatic cancer and intended for patients who are unable to undergo surgery to remove their tumours due to either tumour size, or the location in the pancreas. Approximately 20 per cent of patients at diagnosis are able to have an operation to remove their pancreatic tumour, which is currently the most effective way to treat pancreatic cancer.

OncoSil™ is made with Microparticles that are a combination of silicon and radioactive phosphorus, which are injected as a suspension directly into a pancreatic tumour.

Implantation of the device is straightforward and involves the use of an endoscope. Using real time imaging, a needle is guided through the endoscope to the tumour and OncoSil™ is injected directly into the cancer while the patient is sedated. The procedure typically takes less than 30 minutes and most patients are able to leave the hospital the same day.

OncoSil™ is used in combination with modern chemotherapy and aims to provide local tumour control and may have an impact on reducing cancer symptoms.

It may also be able to convert certain patients by shrinking tumours into an operative state to provide a potentially curative option.

Recent data from the global PanCO trial has been positive, with median Overall Survival presented for the first time at the United States premier oncology meeting, the American Society of Clinical Oncology (ASCO) in 2019. Median overall survival was 16 months after using the OncoSil™ device in combination with modern chemotherapy. This is comparable to, and in many cases, surpasses that of the best available published literature in the patient population.

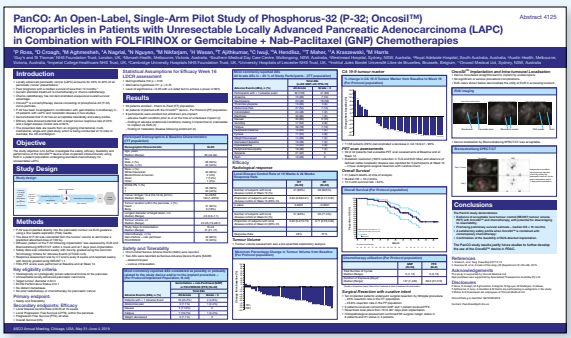
Presentations from Leading International Meetings

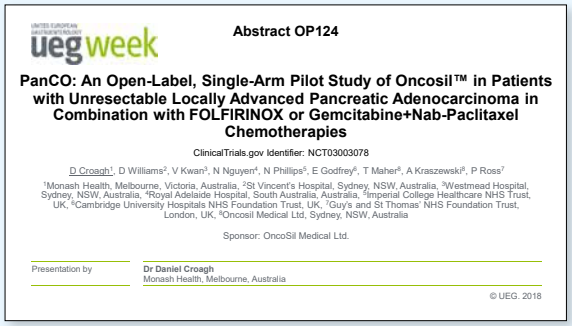
Throughout the year, OncoSil trial investigators have shared data from the PanCO trial with the global medical community across Australia, Europe and the US at major oncology and nuclear medicine conferences. A number of trial sites, including the Hammersmith Hospital in the UK and the Royal Adelaide Hospital, also shared their experience of the PanCO trial throughout 2019.

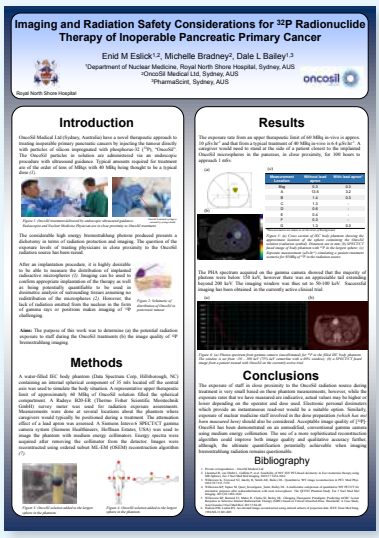
These conferences include:

- Australia & New Zealand Gastric & Oesophageal Surgery Association (ANZGOSA) and Australia and New Zealand Hepatic, Pancreatic and Biliary Association (ANZHPBA) Combined Meeting 2018 in Wellington, New Zealand
- 31st European Association of Nuclear Medicine 2018 in Düsseldorf, Germany
- United European Gastroenterology Week 2018 in Vienna, Austria
- 9th Annual Scientific Meeting of the Australian and New Zealand Society of Nuclear Medicine (ANZSNM) 2019 in Adelaide, South Australia
- American Society of Clinical Oncology (ASCO) Annual Meeting 2019 in Chicago, United States

Clinical Posters







Conference	Poster/Presentation Title	Presentation Type	Date of Presentation	Comments
World Federation of Nuclear Medicine and Biology 2018	Biodistribution of implanted Phosphorus-32 into unresectable locally advanced pancreatic adenocarcinoma, given in combination with gemcitabine+nab-paclitaxel chemotherapy – A single centre experience	Poster	23 April 2018	Single centre experience from Monash Health AU (PanCO)
World Federation of Nuclear Medicine and Biology 2018	Imaging and Radiation Safety Considerations for 32P Radionuclide Therapy of Inoperable Pancreatic Primary Cancer	Poster	23 April 2018	Royal North Shore Hospital data
Digestive Disease Week 2018	PanCO: An Open Label, Single Arm Pilot Study of Oncosil™, Administered to Study Participants with Unresectable Locally Advanced Pancreatic Adenocarcinoma, Given in Combination with Folfirinox or Gemcitabine+Nab-Paclitaxel Chemotherapies	Poster	4 June 2018	PanCO data
ESMO World Congress on Gastrointestinal Cancer 2018	PanCO: An Open-Label, Single-Arm Pilot Study of Oncosil™ in Patients with Unresectable Locally Advanced Pancreatic Adenocarcinoma in Combination with FOLFIRINOX or Gemcitabine+Nab-Paclitaxel Chemotherapies	Poster	21 June 2018	PanCO data
ANZGOSA ANZHPBA 2018	Neoadjuvant chemo-ERT for pancreatic adenocarcinoma: Study proposal for neoadjuvant chemobrachytherapy in resectable pdac	Oral presentation	8 October 2018	Invited presentation by Dr Dan Croagh
European Association of Nuclear Medicine 2018	Practical and Technical UK Experience of using 32P– OncoSil™ in treating patients with unresectable locally advanced pancreatic adenocarcinoma, in combination with FOLFIRINOX or gemcitabine +nab-paclitaxel chemotherapies	e-Poster	13-17 October 2017	Single centre experience from Hammersmith Hospital UK (PanCO)
United European Gastroenterology Week 2018	PanCO: An Open-Label, Single-Arm Pilot Study of Oncosil™ in Patients with Unresectable Locally Advanced Pancreatic Adenocarcinoma in Combination with FOLFIRINOX or Gemcitabine+Nab-Paclitaxel Chemotherapies	Oral presentation	22 October 2018	PanCO data
ANZSNM 2019	Combined chemotherapy with endoscopic Ultrasound (EUS) guided 32P OncoSil™ implantation for locally advanced pancreatic cancer: preliminary results from the Royal Adelaide Hospital (RAH)	Oral presentation	28 April 2019	Single centre experience from Royal Adelaide Hospital, AU (PanCO)
ASCO 2019	PanCO: An Open-Label, Single-Arm Pilot Study of Phosphorus-32 (P-32; Oncosil™) Microparticles in Patients with Unresectable Locally Advanced Pancreatic Adenocarcinoma (LAPC) in Combination with FOLFIRINOX or Gemcitabine + Nab-Paclitaxel (GNP) Chemotherapies	Poster	3 June 2019	PanCO data
ASTRO 2019	OncoPaC-1: An Open-label, Single-Arm Pilot Study of Phosphorus-32 Microparticles Brachytherapy in Combination with Gemcitabine +/- Nab-Paclitaxel in Unresectable Locally Advanced Pancreatic Cancer	Accepted as a Poster presentation	17 September 2019	OncoPaC-1 data
National Cancer Research Institute UK 2019	PanCO: An Open-Label, Single-Arm Pilot Study of Phosphorus-32 (P-32; Oncosil™) Microparticles in Patients with Unresectable Locally Advanced Pancreatic Adenocarcinoma (LAPC) in Combination with FOLFIRINOX or Gemcitabine + Nab-Paclitaxel (GNP) Chemotherapies	Accepted as Poster & e-Poster	3-5 November 2019	PanCO data (ASCO encore publication)

Key Milestones

July 2018

PanCO study closes global recruitment with 50 patients enrolled across Australia, UK and Belgium.

September 2018

Highly encouraging clinical results from Interim Analysis for OncoSil's PanCO study, with strong clinical performance recorded across multiple metrics.

December 2018

Successfully completed patient recruitment for the US OncoPaC-1 clinical study, with nine patients enrolled.

December 2018

All patients enrolled in the OncoPaC-1 clinical study successfully implanted with the OncoSil™ device.

June 2019

Positive Overall Survival data for PanCO study announced at the American Society of Clinical Oncology (ASCO) Annual Meeting 2019 in Chicago.

July 2019

OncoSil submits formal response to British Standards Institute and Clinical Oversight Committee regarding CE Marking certification of the OncoSil™ device.

Compassionate Access Program

Royal Adelaide Hospital gives patients compassionate access to OncoSil™

Pancreatic cancer is one of the most common cancers worldwide and is the fifth most common cause of cancer death.
Its symptoms include severe pain, nausea and jaundice, but they are often unnoticed until the cancer has metastasised.
Current standards of care, such as chemotherapy, often have limited effectiveness and can be toxic to patients.

While the OncoSil™ device can treat patients with early-stage pancreatic cancer, OncoSil believes it has a humanitarian duty to offer the treatment to patients who have more advanced cases of this deadly disease.

The Royal Adelaide Hospital, a leading pancreatic cancer centre and one of the trial sites for OncoSil™ PanCO trial, provides compassionate access through the TGA Special Access Scheme (SAS) to the Oncosil™ device for patients with locally advanced pancreatic cancer.

Associate Professor Dylan Bartholomeusz, Head of Nuclear Medicine at the hospital, says the compassionate access program is important for pancreatic patients, given the limited effectiveness of existing treatments.

"In a clinical sense, pancreatic cancer has a very poor outcome. Usually, patients are diagnosed quite late, so the survival rate is low. When it comes to patients with late stages of the disease, no treatment has had a real impact so far," he says.

However, Professor Bartholomeusz says results from the compassionate access program, where patients are implanted with the OncoSil™ device in conjunction with systemic chemotherapy, have been encouraging.

"We've treated five patients in the last six months under the TGA Special Access Scheme and the results have been promising. All the patients had advanced pancreatic cancer. Patients treated have a reduction in their cancer symptoms."

No disruption for patients

Professor Nam Nguyen, a Gastroenterologist specialising in pancreatic cancer at the hospital, says another benefit of the OncoSil™ treatment is that it does not interrupt patients' chemotherapy.

"This treatment is essentially an injection, and this is important for patients because it doesn't require them to take special precautions, nor does it impact their chemotherapy," Professor Nguyen says.

"Like the patients in the PanCO trial, all the patients who have used OncoSil™ under compassionate use left the clinic the same day. With other treatments, patients often have to be off chemotherapy for a week or so, but with this technique, there is no disruption."

Professor Nguyen says the Royal Adelaide Hospital is a centre of excellence for pancreatic cancer treatment, and access to OncoSil™, an Australian therapy, enables it to continue developing expertise in this area.

"Patients in the compassionate use program were all referred to use OncoSil™ by their Oncologists, and come from all over Adelaide. Pancreatic cancer has always had a very poor prognosis, so we're pleased to be able to provide better patient outcomes for this deadly disease."

Pancreatic cancer is difficult to detect because there are few symptoms. Treatments often have poor outcomes, but targeted treatments, such as OncoSil which 'get in there' and treat the primary cancer, are showing promise.

- Associate Professor Dylan Bartholomeusz

Directors' report

OncoSil Medical Ltd
Directors' report
30 June 2019

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 2019.

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
Mr Daniel Kenny - Chief Executive Officer and Managing Director
Dr Roger Aston - Non-Executive Director
Dr Martin Cross - Non-Executive Director
Mr Michael Bassett - Non-Executive Director (appointed on 10 December 2018)

Information on directors

Name:	Dr Chris Roberts AO
Title:	Non-Executive Chairman
Qualifications:	BE(Hons), MBA, PhD, Hon DSc(Macq), Hon DSc(UNSW), FTSE, FAICD, Hon FIEAust
Experience and expertise:	Dr Roberts AO is a highly experienced director and senior executive with over 41 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. He is a PLuS Alliance Professor appointed across 3 universities: UNSW, King's College London and Arizona State University. Dr Roberts AO also sits on the boards of a number of other entities and groups including; Clarity Pharmaceuticals Limited, Innovation Science Australia, Atmo Biosciences Pty Ltd and O'Connell Street Associates.
Other current directorships:	None
Former directorships (last 3 years):	ResMed Inc. (NYSE:RMD, ASX:RMD)
Special responsibilities:	Member of the Nomination and Remuneration Committee and member of Audit and Risk Committee
Interests in shares:	11,125,000 ordinary shares (10,000,000 shares under Employee Share Plan 'ESP')

Name:	Mr Daniel Kenny
Title:	Chief Executive Officer and Managing Director
Qualifications:	B.Sc Physics (UNSW), MAICD, completed executive business studies at both INSEAD and London Business School, and is a graduate of the Australian Institute of Physics.
Experience and expertise:	Mr Kenny has over 32 years' experience in the Global Pharmaceutical and Medical Device Industry. He commenced his career undertaking clinical research in the fields of ophthalmology and HIV/AIDS prior to joining the pharmaceutical industry. Mr Kenny's industry career experience extends to FDA and EU product and device registration, clinical development, marketing and sales, in-licensing and business development. Prior to working with OncoSil Medical Ltd, he held senior executive appointments with ABIVAX, Baxter International and Roche.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration Committee and member of Audit and Risk Committee
Interests in shares:	23,341,667 ordinary shares (20,300,000 shares under ESP)

Name:	Dr Roger Aston
Title:	Non-Executive Director
Qualifications:	B.Sc (Hons) and Ph.D. (Manchester)
Experience and expertise:	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 US Food and Drug ('FDA') and European Union ('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, was a member of the AusIndustry Biological Committee advising the Industry Research and Development Brand. More recently, Dr Aston was Executive Chairman of Mayne Pharma Group from 2009 to 2011 and later, CEO of Mayne Pharma Group.
Other current directorships:	Chairman of: Immuron Limited (ASX: IMC), ResApp Health Limited (ASX: RAP), PharmAust Ltd (ASX: PAA) and its subsidiary Pitney Pharmaceuticals Pty Ltd
Former directorships (last 3 years):	Regeneus Limited (ASX: RGS)
Special responsibilities:	Member of the Nomination and Remuneration Committee and Chairman of the Audit and Risk Committee
Interests in shares:	12,516,547 ordinary shares (500,000 shares under ESP)

Name:	Dr Martin Cross
Title:	Non-Executive Director
Qualifications:	B.SC (Hons) and Ph.D. (Aberdeen) FAICD
Experience and expertise:	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.
Other current directorships:	Non-Executive Director Cellmid Limited (ASX:CDY)
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Committee
Interests in shares:	1,880,000 ordinary shares

Name:	Mr Michael Bassett
Title:	Non-Executive Director
Qualifications:	B.Econ, member of the Australian Institute of Company Directors.
Experience and expertise:	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 previously worked as a Portfolio Manager for the successful Regal Australian Small Companies Fund with a significant focus on Life Science companies. Prior to this he held senior management positions within Credit Suisse's Institutional Equities business, Deutsche Asset Management and Merrill Lynch.
Other current directorships:	Managing Director of a market consultancy business that works with boards and senior management to optimise their capital market strategies.
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	1,023,000 ordinary shares

Directors' report cont.

OncoSil Medical Ltd
Directors' report
30 June 2019

'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
Tom Milicevic is the Company Secretary.

Mr Milicevic (B.Comm (Western Sydney), FCPA, MBA, MGSM), is an experienced commercial, financial and management accountant with more than 22 years' experience in a career which includes a number of major Australian and international public companies. Prior to joining OncoSil Medical Ltd, he was chief executive officer ('CEO') and chief financial officer ('CFO') of orthopaedic medical device company, Allegra Orthopaedics Limited (ASX: AMT) and successfully led that company through its Initial Public Offering ('IPO') and ASX listing. Mr Milicevic was also CFO for Babcock & Brown Residential Land Partners, an ASX listed fund, where he was the financial lead on the stapled security's $175,000,000 IPO. His previous roles also includes CFO and Company Secretary with an ASX listed oncology biotech, and senior finance and accounting roles with ASX 100 Australian companies.

Principal activities
The principal activities of the Group during the financial year focused on the development of its lead product candidate, the OncoSil™ localised radiation therapy for the treatment of pancreatic 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 $8,566,731 (30 June 2018: $8,539,542).

OncoSil Medical Limited is an Australian-based and ASX listed medical device company focused on localised treatments for patients with pancreatic and liver cancer. The Group's lead product, OncoSil™, is a first in class medical device comprising microparticles containing Phosphorous-32 (P-32), a pure beta-emitter radioisotope, implanted directly into a patient's pancreatic tumours via an endoscopic ultrasound. This treatment, known as brachytherapy, is intended to deliver more concentrated and localised radiation.

Over the past twelve months, the Group's focus has been to advance and complete its global pancreatic clinical study, PanCO, and are using this data to support its CE Mark application for the OncoSil™ device in the European Union. The Group notes the initial unfavourable assessment from the Notified Body (The British Standards Institution "BSI") for the application and has since submitted a formal response using the positive Overall Survival dataset from the PanCo study.

The Group has made progress on its mission in FY19, including:
- Successful completion of patient recruitment for the PanCO study across Australia, UK and Belgium;
- Successful completion of patient recruitment for the US OncoPaC-1 clinical study, with all patients enrolled in the study successfully implanted with the OncoSil™ device;
- Appointed IQVIA as European Union Market Access and Remuneration Advisor;
- Reported positive Interim Analysis of PanCo study with strong clinical performance recorded across multiple metrics;
- Reported positive Overall Survival data for the PanCO study, and presented this at the American Society of Clinical Oncology (ASCO) Annual Meeting 2019; and
- Submission of OncoSil's formal response to the BSI and Clinical Oversight Committee regarding CE Marking certification of the OncoSil™ device.

Clinical – Completed patient recruitment for global PanCO study and positive study data

- In September 2018, the Group reported the successful completion of patient enrolment for the PanCO study across all participating sites in Australia, the UK and Belgium – with 50 patients enrolled in total. The Group also reported highly encouraging results from the Interim Analysis which showed that:
  - Disease Control Rate (DCR) of 100% at Week 8 in the per protocol population;
  - Local Disease Control Rate (LDCR) of 88% at Week 16 in the implanted population;
  - Strong evidence of target tumour regression, with statistically significant, and in some cases, substantial volumetric reduction; and
  - Well tolerated and reassuring safety profile confirmed by independent Safety Review Committee.

- Positive Overall Survival data from the PanCo study was presented at the (ASCO) Annual Meeting in June 2019 which showed:
  - Medical overall survival of 16 months – given the accepted population median Overall Survival estimates of patients with locally advanced pancreatic cancer (LAPC) is only 9-11 months, this result is comparable to, and in many cases surpasses, that of the best available published literature in the LAPC population;
  - Encouraging rate of surgical resection with curative intent of 23.8% with a R0 margin status of 80%;
  - LDCR at 16 weeks was 90.5%, a positive and important independent prognostic factor for the Overall Survival of patients;
  - A satisfactory safety profile when OncoSil™ is combined with contemporary chemotherapy; and
  - Confirmation of the feasibility of EUS directed implantation.

- US FDA confirmed that the PanCo study (ex-US) safety data met IDE requirements and that OncoSil could proceed with to a full US pivotal study without further US patient data.

- The Group's OncoPaC-1 clinical study successfully completed recruitment, with nine patients successfully implanted.

Regulatory – OncoSil provides detailed response to BSI and COC

- While outside the financial year, on 30 July 2019, OncoSil submitted a comprehensive response to questions from the British Standards Institute (BSI) and its Clinical Oversight Committee (COC) regarding the certification of the OncoSil™ device based on the positive results of the PanCO study;
- The response was prepared and developed with the support of leading medical experts and enables a treatment comparison that demonstrates the OncoSil™ device provides statistically significant and clinically meaningful benefits over and above chemotherapy alone for patients with unresectable LAPC; and
- OncoSil will keep shareholders informed of developments with respect to the review and the progress of the CE Marking determination.

Corporate – Revised business plan

- While OncoSil awaits the outcome of the CE Marking decision, the Group will operate under a revised business plan to target a reduction in annualised cost base through reduced operating expenditure and R&D expenditure. The Group has also put a pause on any new clinical trial and study activities until certainty around the CE Marking is achieved.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2019 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' report cont.

OncoSil Medical Ltd
Directors' report
30 June 2019

Likely developments and expected results of operations

The Company continues to progress towards achieving a CE Mark for our OncoSil™ device which will enable future commercial sales in the European Union, Australia/New Zealand and certain parts of Asia. When a CE Marking determination is made, the Company would be committed to a post marketing surveillance program, the nature and costs associated are yet to be determined. In addition, the Global Pivotal OncPac-1 Clinical Study continues, aimed at supporting a Pre Marketing application in the United States in future years. 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 OncPac-1 Clinical Study or the outcome of clinical results. Manufacturing capabilities, supply chain and sales and marketing infrastructure will continue to be progressed to support both planned commercial and clinical activities.

Environmental regulation

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

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 2019, 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	9	9	1	1	2	2
Mr Daniel Kenny	9	9	1	1	2	2
Dr Roger Aston	9	9	1	1	2	2
Dr Martin Cross	9	9	1	1	2	2
Mr Michael Bassett	4	4	-	-	-	-

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

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.

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 have 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
- other remuneration such as superannuation and long service leave

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

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.

Directors' report cont.

OncoSil Medical Ltd
Directors' report
30 June 2019

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. 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 share will vest upon satisfaction 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 2019.

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
During the financial year ended 30 June 2018, the Group, through the Nomination and Remuneration Committee, engaged Godfrey Remuneration Group Pty Ltd, remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. This has resulted in the production of a remuneration benchmarking report for the use of the Nomination and Remuneration Committee, and the adjustment of salaries for the executives and non-executive directors by CPI or 2% effective 1 July 2018. In addition, the Group will initiate an annual long term incentive equity grant under the existing Employee Loan Share Scheme as part of the executives LTI component of remuneration. Godfrey Remuneration Group Pty Ltd was paid $26,000 for these services. No consultants were used during the financial year ended 30 June 2019 as the position of the Board remained consistent with the previous year.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not directly communicate with affected key management personnel and that the consultant not provide any information relating to the outcome of the engagement directly with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and comments made at the Company's 2018 Annual General Meeting ('AGM')
At the 2018 AGM, less than 1% voted against the adoption of the remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
The KMP of the Group consisted of the directors of OncoSil Medical Ltd and the following persons:
- Mr Tom Milicevic - 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		
2019	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled options $	Equity-settled shares $	Total $
Non-Executive Directors:								
Dr Chris Roberts AO (chairman) *	80,000	-	-	-	-	-	208,000	288,000
Dr Roger Aston	73,059	-	-	6,941	-	-	6,977	86,977
Dr Martin Cross	73,059	-	-	6,941	-	-	-	80,000
Mr Michael Bassett **	44,822	-	-	-	-	-	-	44,822
Executive Directors:								
Mr Daniel Kenny	473,939	-	-	25,365	-	-	383,487	882,791
Other Key Management Personnel:								
Mr Tom Milicevic	279,771	-	-	24,983	-	-	112,455	417,209
	1,024,650	-	-	64,230	-	-	710,919	1,799,799

* The remuneration payments to Dr Chris Roberts were made to his director-related entity, Robertsplan Pty Ltd.

** Represents remuneration for the period from date of appointment 10 December 2018 to 30 June 2019. The remuneration payments to Michael Bassett were made to his director-related entity, Market Connect Australia Pty Ltd.

During the year 3,300,000 shares were granted to Daniel Kenny and 650,000 shares to Tom Milicevic under the Group's Employee Share Plan. The value in the above remuneration table represents the amortised value of these shares.

For the financial year ended 30 June 2019, management tabled an initiative to forfeit short term incentives. Although, individual performance measures warranted participation in the annual short term incentive program, management unanimously agreed to forfeit any short term incentive payment attributable to the current financial year. The Board was fully supportive of managements initiative.

Directors' report cont.

OncoSil Medical Ltd
Directors' report
30 June 2019

2018	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled options $	Share-based payments: Equity-settled shares $	Total $
Non-Executive Directors:								
Dr Chris Roberts AO (chairman) *	80,000	-	-	-	-	-	208,000	288,000
Dr Roger Aston	73,059	-	-	6,941	-	-	16,996	96,996
Dr Martin Cross	73,059	-	-	6,941	-	-	-	80,000
Executive Directors:								
Mr Daniel Kenny	460,030	193,800	-	30,673	-	-	384,545	1,069,048
Other Key Management Personnel:								
Mr Tom Milicevic	266,696	66,800	-	24,549	-	-	101,250	459,295
	952,844	260,600	-	69,104	-	-	710,791	1,993,339

* The remuneration payments to Dr Chris Roberts were made to his director-related entity, Robertsplan Pty Ltd.

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

Name	Fixed remuneration 2019	Fixed remuneration 2018	At risk - STI 2019	At risk - STI 2018	At risk - LTI 2019	At risk - LTI 2018
Non-Executive Directors:						
Dr Chris Roberts AO	28%	28%	-	-	72%	72%
Dr Roger Aston	92%	82%	-	-	8%	18%
Dr Martin Cross	100%	100%	-	-	-	-
Mr Michael Bassett	100%	-	-	-	-	-
Executive Directors:						
Mr Daniel Kenny	56%	46%	-	18%	44%	36%
Other Key Management Personnel:						
Mr Tom Milicevic	72%	63%	-	15%	28%	22%

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

Name	Cash bonus paid/payable 2019	Cash bonus paid/payable 2018	Cash bonus forfeited 2019	Cash bonus forfeited 2018
Executive Directors:				
Mr Daniel Kenny	-	90%	100%	10%
Other Key Management Personnel:				
Mr Tom Milicevic	-	100%	100%	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Daniel Kenny
Title:	Chief Executive Officer and Managing Director
Agreement commenced:	5 January 2015
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2019 of $448,000 plus superannuation, to be reviewed annually by the NRC, six months termination notice by either party, cash bonus up to 50% of salary subject to achievement of KPI's 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.
Name:	Tom Milicevic
Title:	Chief Financial Officer and Company Secretary
Agreement commenced:	22 October 2015
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2019 of $278,000 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 KPI's 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.

Key management personnel 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 key management personnel as part of compensation during the year ended 30 June 2019 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 Accounting Standards, these shares are accounted for in a similar manner as options.

Terms and conditions of share based payment arrangements affecting the remuneration of key management personnel in the current financial year:

Name	Number of shares granted	Grant date	Expiry date	Exercise price	Fair value per share at grant date
Dr Chris Roberts AO	10,000,000	10/05/2016	10/05/2021	$0.22	$0.104
Mr Daniel Kenny	14,000,000	10/05/2016	10/05/2021	$0.22	$0.104
	3,000,000	28/11/2014	31/12/2019	$0.13	$0.047
	3,300,000	31/10/2018	31/10/2021	$0.18	$0.078
Dr Roger Aston	500,000	28/11/2014	31/12/2019	$0.18	$0.056
Mr Tom Milicevic	5,000,000	13/01/2016	13/01/2019	$0.13	$0.081
	650,000	31/10/2018	31/10/2021	$0.18	$0.078

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

Directors' report cont.

OncoSil Medical Ltd
Directors' report
30 June 2019

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 2019.

Additional information
The earnings of the Group for the five years to 30 June 2019 are summarised below:

	2015 $	2016 $	2017 $	2018 $	2019 $
Revenue/income	3,028,014	4,141,691	3,755,765	4,549,584	3,845,045
Loss after income tax	(2,879,031)	(4,768,598)	(7,016,079)	(8,539,542)	(8,566,731)

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

	2015	2016	2017	2018	2019
Share price at financial year end ($)	0.10	0.14	0.10	0.23	0.05
Basic earnings per share (cents per share)	(0.81)	(1.23)	(1.49)	(1.66)	(1.36)

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
Ordinary shares					
Dr Chris Roberts AO	11,125,000	-	-	-	11,125,000
Mr Daniel Kenny	20,041,667	-	3,300,000	-	23,341,667
Dr Roger Aston	12,516,547	-	-	-	12,516,547
Dr Martin Cross	1,291,667	-	588,333	-	1,880,000
Mr Michael Bassett	-	-	1,023,000	-	1,023,000
Mr Tom Milicevic	5,096,667	-	650,000	-	5,746,667
	50,071,548	-	5,561,333	-	55,632,881

Loan shares holding
The number of 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	Vested	Balance at the end of the year
Loan shares over ordinary shares					
Dr Chris Roberts AO	10,000,000	-	-	-	10,000,000
Mr Daniel Kenny	17,000,000	3,300,000	-	-	20,300,000
Dr Roger Aston	500,000	-	-	-	500,000
Mr Tom Milicevic	5,000,000	650,000	-	(2,000,000)	3,650,000
	32,500,000	3,950,000	-	(2,000,000)	34,450,000

	Unreleased subject to loan repayment
Unreleased vested loan shares	
Mr Daniel Kenny	3,000,000
Dr Roger Aston	500,000
Mr Tom Milicevic	2,000,000
	5,500,000

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 (2018: $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 $44,823 (2018: Nil).

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 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 2019 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.

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.

Auditor
Crowe Sydney continues in office in accordance with section 327 of the Corporations Act 2001.

Directors' report cont.

OncoSil Medical Ltd
Directors' report
30 June 2019

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

Dr Chris Roberts AO
Non-Executive Chairman

23 August 2019
Sydney

Auditor's independence declaration

Crowe Horwath Sydney
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23 August 2019

The Board of Directors
OncoSil Medical Ltd
Suite 402 Level 4
50 Berry Street,
North Sydney NSW 2060

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 2019, 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

Crowe Sydney

John Haydon
Senior 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.

Statement of profit or loss and other comprehensive income

OncoSil Medical Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Revenue			
Other income	5	3,640,933	4,404,820
Interest revenue calculated using the effective interest method		204,112	144,764
Expenses			
Employee benefits expense	6	(4,002,787)	(4,848,148)
Research and development expenses		(5,576,351)	(5,825,985)
Occupancy expenses		(174,292)	(193,189)
Consulting, finance and legal expenses		(1,212,226)	(1,022,457)
Share-based payments		(1,133,097)	(983,442)
Other administrative expenses		(313,023)	(215,905)
Loss before income tax expense		(8,566,731)	(8,539,542)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of OncoSil Medical Ltd		(8,566,731)	(8,539,542)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(45,934)	(36,640)
Other comprehensive income for the year, net of tax		(45,934)	(36,640)
Total comprehensive income for the year attributable to the owners of OncoSil Medical Ltd		(8,612,665)	(8,576,182)
		Cents	**Cents**
Basic earnings per share	24	(1.36)	(1.66)
Diluted earnings per share	24	(1.36)	(1.66)

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

Statement of financial position

OncoSil Medical Ltd
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	8	7,689,234	15,205,216
Trade and other receivables	9	3,819,044	4,482,827
Other assets	10	97,603	108,030
Total current assets		11,605,881	19,796,073
Non-current assets			
Plant and equipment		62,466	86,255
Total non-current assets		62,466	86,255
Total assets		11,668,347	19,882,328
Liabilities			
Current liabilities			
Trade and other payables	11	767,608	1,598,899
Employee benefits		225,603	128,725
Total current liabilities		993,211	1,727,624
Total liabilities		993,211	1,727,624
Net assets		10,675,136	18,154,704
Equity			
Issued capital	12	52,257,231	52,257,231
Reserves	13	6,020,395	4,933,232
Accumulated losses		(47,602,490)	(39,035,759)
Total equity		10,675,136	18,154,704

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

Statement of changes in equity

OncoSil Medical Ltd
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	36,644,596	3,986,430	(30,496,217)	10,134,809
Loss after income tax expense for the year	-	-	(8,539,542)	(8,539,542)
Other comprehensive income for the year, net of tax	-	(36,640)	-	(36,640)
Total comprehensive income for the year	-	(36,640)	(8,539,542)	(8,576,182)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 12)	15,612,635	-	-	15,612,635
Share-based payments (note 13)	-	983,442	-	983,442
Balance at 30 June 2018	52,257,231	4,933,232	(39,035,759)	18,154,704

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	52,257,231	4,933,232	(39,035,759)	18,154,704
Loss after income tax expense for the year	-	-	(8,566,731)	(8,566,731)
Other comprehensive income for the year, net of tax	-	(45,934)	-	(45,934)
Total comprehensive income for the year	-	(45,934)	(8,566,731)	(8,612,665)
Transactions with owners in their capacity as owners:				
Share-based payments (note 13)	-	1,133,097	-	1,133,097
Balance at 30 June 2019	52,257,231	6,020,395	(47,602,490)	10,675,136

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

Statement of cash flows

OncoSil Medical Ltd
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(11,991,410)	(11,988,290)
Interest received		204,112	144,764
Research and development tax incentive		4,286,144	3,446,185
Net cash used in operating activities	23	(7,501,154)	(8,397,341)
Cash flows from investing activities			
Payments for property, plant and equipment		(14,828)	(10,696)
Net cash used in investing activities		(14,828)	(10,696)
Cash flows from financing activities			
Proceeds from issue of shares	12	-	16,709,014
Share issue transaction costs	12	-	(1,096,379)
Net cash from financing activities		-	15,612,635
Net increase/(decrease) in cash and cash equivalents		(7,515,982)	7,204,598
Cash and cash equivalents at the beginning of the financial year		15,205,216	8,000,618
Cash and cash equivalents at the end of the financial year	8	7,689,234	15,205,216

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

Notes to the financial statements

OncoSil Medical Ltd
Notes to the financial statements
30 June 2019

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 402, Level 4
50 Berry 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 23 August 2019. 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, being AASB 9 'Financial Instruments' and 'AASB 15 Revenue from Contracts with Customers'.

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. There was no impact on the financial statements as the main financial assets recognised represent cash and cash equivalents and trade receivables that do not carry a significant financing component and involve a single cash flow representing the repayment of principal, which in the case of trade receivables is the transaction price. Both asset classes will continue to be measured at face value. Other financial asset classes are not material to the Group. Financial liabilities of the Group are not impacted as the Group does not carry them at fair value.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. Due to the nature of the income the Group received, being mainly the research and development tax incentive and interest received from cash deposits, there is no impact under this standard in the financial statements.

Impact of adoption
AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2018 was $nil.

There has been no impact on the financial statements on the adoption of AASB 9 and AASB 15.

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.

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.

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 21.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OncoSil Medical Ltd as at 30 June 2019 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.

Notes to the financial statements cont.

Note 2. Significant accounting policies (continued)

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 Australian dollars 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.

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.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Note 2. Significant accounting policies (continued)

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Research and development costs

Research costs are expensed in the period in which they are incurred. Development costs are capitalised 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.

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 using the projected unit credit method. 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.

Comparatives

Certain comparatives in the statement of profit or loss and other comprehensive income, where necessary, have been reclassified for consistency with the current period presentation.

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 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2019

Note 2. Significant accounting policies (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019.

If AASB 16 was implemented by the Group as at 30 June 2019, the impact would be an increase in assets and corresponding increase in liabilities of $212,891. This represents the net present value of all estimated office lease payments. Under the same lease assumptions, the Group expects a lease expense of $127,734 in the year ending 30 June 2020 (comparatively, an expense of $131,319 would be expected under the current accounting methodologies being applied).

New Conceptual Framework for Financial Reporting
A revised Conceptual Framework for Financial Reporting has been issued by the AASB and is applicable for annual reporting periods beginning on or after 1 January 2020. This release impacts for-profit private sector entities that have public accountability that are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the Conceptual Framework. Phase 2 of the framework is yet to be released which will impact for-profit private sector entities. The application of new definition and recognition criteria as well as new guidance on measurement will result in amendments to several accounting standards. The issue of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, also applicable from 1 January 2020, includes such amendments. Where the Group has relied on the conceptual framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards, the Group may need to revisit such policies.

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.

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 Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. 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.

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

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.

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.

Note 5. Other income

	Consolidated 2019 $	Consolidated 2018 $
Research and development tax incentive	3,626,082	4,440,918
Net gain on disposal of asset	-	713
Net gain/(loss) on foreign exchange	14,851	(43,632)
Other income	-	6,821
Other income	3,640,933	4,404,820

Accounting policy for revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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.

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

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

Dividends
Dividend revenue is recognised when it is received or when the right to receive payment is established.

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 cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2019

Note 6. Expenses

	Consolidated 2019 $	Consolidated 2018 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Office equipment	38,617	39,913
Employee benefits (excluding share-based payments)		
Employee benefits	3,804,313	4,559,883
Defined contribution superannuation expense	198,474	288,265
Total employee benefits expense	4,002,787	4,848,148
Rental expense relating to operating leases		
Minimum lease payments	163,052	191,682

Note 7. Income tax

	Consolidated 2019 $	Consolidated 2018 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(8,566,731)	(8,539,542)
Tax at the statutory tax rate of 27.5%	(2,355,851)	(2,348,374)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development - write back	1,391,559	1,778,902
Share-based payments	311,602	270,446
Others	(97,242)	70,722
Future income tax benefit not brought to account	749,932	228,304
Income tax expense	-	-

	Consolidated 2019 $	Consolidated 2018 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	9,651,356	7,186,433
Potential tax benefit @ 27.5%	2,654,123	1,976,269

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.

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.

Note 7. Income tax (continued)

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.

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 8. Current assets - cash and cash equivalents

	Consolidated 2019 $	Consolidated 2018 $
Cash at bank	7,574,359	15,092,466
Cash on deposit	114,875	112,750
	7,689,234	15,205,216

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 9. Current assets - trade and other receivables

	Consolidated 2019 $	Consolidated 2018 $
Other receivables	38,188	41,909
Research and development tax incentive receivable	3,780,856	4,440,918
	3,819,044	4,482,827

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2019

Note 10. Current assets - other assets

	Consolidated 2019 $	Consolidated 2018 $
Prepayments	28,389	23,063
Other deposits	69,214	69,214
Other current assets	-	15,753
	97,603	108,030

Note 11. Current liabilities - trade and other payables

	Consolidated 2019 $	Consolidated 2018 $
Trade payables	363,987	857,113
Payroll liabilities	98,784	702,982
Other payables	304,837	38,804
	767,608	1,598,899

Refer to note 15 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 12. Equity - issued capital

	Consolidated 2019 Shares	Consolidated 2018 Shares	Consolidated 2019 $	Consolidated 2018 $
Ordinary shares - fully paid	630,708,788	624,158,788	52,257,231	52,257,231

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2017	487,455,468		36,644,596
Shares buy-back	30 January 2018	(7,000,000)	$0.00	-
Employee loan shares issued	2 March 2018	4,461,538	$0.22	-
Placement issue of shares	28 March 2018	72,624,415	$0.12	8,714,930
Placement issue of shares	20 April 2018	33,333,433	$0.12	4,000,012
Placement issue of shares	17 May 2018	33,283,934	$0.12	3,994,072
Transaction costs		-	$0.00	(1,096,379)
Balance	30 June 2018	624,158,788		52,257,231
Employee loan shares issued	31 October 2018	6,550,000	$0.18	-
Balance	30 June 2019	630,708,788		52,257,231

Note 12. Equity - issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. 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.

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 remains unchanged from the 30 June 2018 Annual Report.

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 13. Equity - reserves

	Consolidated 2019 $	Consolidated 2018 $
Foreign currency reserve	(161,262)	(115,328)
Share-based payments reserve	6,181,657	5,048,560
	6,020,395	4,933,232

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 cont.

OncoSil Medical Ltd
Notes to the financial statements
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Note 13. Equity - reserves (continued)

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 $
Balance at 1 July 2017	(78,688)	4,065,118	3,986,430
Foreign currency translation	(36,640)	-	(36,640)
Share-based payments	-	983,442	983,442
Balance at 30 June 2018	(115,328)	5,048,560	4,933,232
Foreign currency translation	(45,934)	-	(45,934)
Share-based payments	-	1,133,097	1,133,097
Balance at 30 June 2019	(161,262)	6,181,657	6,020,395

Note 14. Equity - dividends

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

Note 15. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market 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, 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 was exposed to securities price risk on investments held for trading over the medium to long term in the comparative period. Such risk was managed through diversification of investments across industries and geographical locations.

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 are detailed in note 8. The effect a 100 (2018: 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.

Note 15. Financial instruments (continued)

Consolidated - 2019	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
Cash and cash equivalents	100	76,892	55,747	(100)	76,892	55,747

Consolidated - 2018	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
Cash and cash equivalents	100	152,052	110,238	(50)	76,026	55,119

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 forecast 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.

Consolidated - 2019	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	363,987	-	-	-	363,987
Payroll liabilities	98,784	-	-	-	98,784
Other payables	304,837	-	-	-	304,837
Total non-derivatives	767,608	-	-	-	767,608

Notes to the financial statements cont.

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Note 15. Financial instruments (continued)

Consolidated - 2018	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	857,113	-	-	-	857,113
Payroll liabilities	702,982	-	-	-	702,982
Other payables	38,804	-	-	-	38,804
Total non-derivatives	1,598,899	-	-	-	1,598,899

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.

Note 16. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2019 $	Consolidated 2018 $
Short-term employee benefits	1,024,650	1,213,444
Post-employment benefits	64,230	69,104
Share-based payments	710,919	710,791
	1,799,799	1,993,339

Note 17. 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 2019 $	Consolidated 2018 $
Audit services - Crowe Sydney		
Audit or review of the financial statements	53,700	49,750

Note 18. Contingent liabilities

There has been no change in the status of contingent liabilities since 30 June 2018.

Note 18. Contingent liabilities (continued)

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.

(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 2019.

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
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Note 19. Commitments

	Consolidated 2019 $	2018 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	131,319	131,319
One to five years	87,546	218,865
	218,865	350,184

Operating lease commitments include contracted amounts for commercial premises under non-cancellable operating leases expiring on 28 February 2021, with, in some cases, options to extend. The lease payments are increased on an annual basis to reflect market rentals.

Note 20. Related party transactions

Parent entity
OncoSil Medical Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Key management personnel
Disclosures relating to key management personnel are set out in note 16 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 (2018: $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 $44,822 (2018: Nil).

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 21. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2019 $	2018 $
Loss after income tax	(7,909,445)	(7,898,955)
Total comprehensive income	(7,909,445)	(7,898,955)

Note 21. Parent entity information (continued)

Statement of financial position

	Parent	
	2019 $	2018 $
Total current assets	13,552,451	21,030,265
Total assets	13,614,917	21,116,520
Total current liabilities	972,307	1,697,562
Total liabilities	972,307	1,697,562
Equity		
Issued capital	52,257,231	52,257,231
Share-based payments reserve	6,181,656	5,048,559
Accumulated losses	(45,796,277)	(37,886,832)
Total equity	12,642,610	19,418,958

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 2019 and 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

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 22. 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:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2019 %	2018 %
OncoSil Medical UK Limited	United Kingdom	100%	100%
OncoSil Medical Germany GmbH	Germany	100%	100%
OncoSil Medical US Inc.	United States	100%	100%
OncoSil Medical NZ Limited	New Zealand	100%	100%

Notes to the financial statements cont.

OncoSil Medical Ltd
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30 June 2019

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax expense for the year	(8,566,731)	(8,539,542)
Adjustments for:		
Depreciation and amortisation	38,617	39,913
Share-based payments	1,133,097	983,442
Foreign exchange differences	(45,934)	(36,640)
Gain on disposal of assets	-	(713)
Change in operating assets and liabilities:		
Decrease/(increase) in other operating assets	659,359	(902,071)
Increase/(decrease) in trade and other payables	(816,440)	75,337
Increase/(decrease) in employee benefits	96,878	(17,067)
Net cash used in operating activities	(7,501,154)	(8,397,341)

Note 24. Earnings per share

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax attributable to the owners of OncoSil Medical Ltd	(8,566,731)	(8,539,542)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	628,519,473	515,600,535
Weighted average number of ordinary shares used in calculating diluted earnings per share	628,519,473	515,600,535
	Cents	**Cents**
Basic earnings per share	(1.36)	(1.66)
Diluted earnings per share	(1.36)	(1.66)

69,550,001 ESP 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 25. 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 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. Shares issued under the ESP are accounted for in a similar manner as options. There are no cash settlement alternatives.

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

2019

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
08/10/2015	08/10/2018	$0.13	1,538,462	-	(1,538,462)	-	-
13/01/2016	13/01/2019	$0.13	769,231	-	(769,231)	-	-
13/01/2016	13/01/2019	$0.13	5,730,769	-	(5,730,769)	-	-
13/01/2016	13/01/2020	$0.13	8,500,000	-	-	-	8,500,000
10/05/2016	10/05/2021	$0.22	24,000,000	-	-	-	24,000,000
12/08/2016	30/06/2021	$0.22	4,000,000	-	-	-	4,000,000
11/12/2017	11/12/2020	$0.22	769,231	-	-	-	769,231
02/03/2018	02/03/2021	$0.22	4,230,769	-	-	-	4,230,769
02/03/2018	02/03/2021	$0.22	1,000,000	-	-	-	1,000,000
31/10/2018	31/10/2021	$0.18	-	3,275,000	-	-	3,275,000
31/10/2018	31/10/2021	$0.18	-	3,275,000	-	-	3,275,000
			59,038,462	6,550,000	(8,038,462)	-	57,550,000
Weighted average exercise price			$0.18	$0.18	$0.13	$0.00	$0.19

* During the year 1,538,462 shares with expiry date 8 October 2018 vested.

During the year, of the 15,000,000 shares with expiry date 13 January 2019, 6,500,000 shares vested. The expiry date of the remaining 8,500,000 shares was extended until 13 January 2020.

The vesting conditions for the loan shares issued during the year on 31 October 2018 are as follow;

- The first tranche of 3,275,000 shares will vest automatically if and when OncoSil Total Shareholder Return (TSR) has a compound annual growth rate (CAGR) of 15%, provided that the Participant has been continuously employed with the Company at the time the CAGR achieves 15% - 3 year loan. 1,650,000 of these shares were issued to Daniel Kenny (CEO and Managing Director) and 325,000 shares were issued to Tom Milicevic (CFO). The second tranche of 3,275,000 shares will vest automatically if and when TSR has a CAGR of 25%, provided that the Participant has been continuously employed with the Company at the time the CAGR achieves 25% - 3 year loan. 1,650,000 of these shares were issued to Daniel Kenny (CEO and Managing Director) and 325,000 shares were issued to Tom Milicevic (CFO)

The following unvested shares were on issue under the ESP as at 30 June 2018 and were being held as security against limited recourse loan arrangements:

Notes to the financial statements cont.

OncoSil Medical Ltd
Notes to the financial statements
30 June 2019

Note 25. Share-based payments (continued)

2018

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	6,000,000	-	(3,000,000)	-	3,000,000
08/10/2015	08/10/2018	$0.13	2,307,693	-	-	(769,231)	1,538,462
13/01/2016	13/01/2019	$0.13	769,231	-	-	-	769,231
13/01/2016	13/01/2019	$0.13	5,730,769	-	-	-	5,730,769
13/01/2016	13/01/2020	$0.13	8,500,000	-	-	-	8,500,000
10/05/2016	10/05/2021	$0.22	24,000,000	-	-	-	24,000,000
12/08/2016	30/06/2021	$0.22	4,000,000	-	-	-	4,000,000
11/12/2017	11/12/2020	$0.22	769,231	-	-	-	769,231
02/03/2018	02/03/2021	$0.22	-	4,230,769	-	-	4,230,769
02/03/2018	11/08/2021	$0.22	-	1,000,000	-	-	1,000,000
			57,576,924	5,230,769	(3,000,000)	(769,231)	59,038,462
Weighted average exercise price			$0.18	$0.22	$0.00	$0.13	$0.18

The details of loan shares issued as at 30 June 2018 are as follows:

In relation to 4,230,769 shares granted on 2 March 2018, these are subject to various operational milestones and continuous employment with the company until the applicant reaches the 4th anniversary of employment – 5 year loan.

In relation to 1,000,000 shares granted on 2 March 2018, terms include continuous employment with the company until the applicant reaches the 4th anniversary of employment – 5 year loan.

There are 4 separate loan tranches each representing 25% of the total number of shares as disclosed;
· Tranche 1 shares will vest automatically upon OncoSil™ total revenue reaching a cumulative total of at least $10m
. Tranche 2 shares will vest automatically upon OncoSil™ total revenue reaching a cumulative total of at least $15m
· Tranche 3 shares will vest automatically upon OncoSil™ total revenue reaching a cumulative total of at least $30m
· Tranche 4 shares will vest automatically upon OncoSil™ total revenue reaching a cumulative total of at least $50m

In relation to 4,000,000 shares granted on 12 August 2016, employees were issued such shares as per the existing employee loan share plan approved by shareholders on 29 April 2014.*

In relation to 24,000,000 shares granted on 10 May 2016, these related to shares issued to Daniel Kenny (CEO and Managing Director) and Dr Chris Roberts (Director) who were issued 14,000,000 and 10,000,000 shares respectively as per the existing employee loan share plan approved by shareholders 29 April 2014.*

* The vesting conditions are the same as the 4 tranches above. The 1,000,000; 4,000,000 and 24,000,000 shares have the same vesting conditions.

In relation to 14,230,769 shares granted on 13 January 2016 4,230,679 shares were issued to Tom Milicevic and 10,000,000 shares were issued to two senior executives of the Company under an existing employee loan share plan approved by shareholders on 29 April 2014. The vesting conditions attached to the 5,000,000 shares issued to Tom Milicevic are as follows:

Note 25. Share-based payments (continued)

- Tranche 1 - 1,500,000 shares which will vest automatically (within 4 year period from date of issue) when the total shareholder returns (TSR) in respect of holding ordinary shares in OncoSil Medical Ltd equals 175% - where the TSR is calculated using the average closing share price over the period of 30 consecutive trading days concluding on the issue date for the relevant shares as compared to the average closing share price over the period of 30 consecutive trading days concluding on the relevant calculation date. Notwithstanding the achievement of this TSR, the Tranche 1 shares will not vest until the expiry of 1 year from the date of issue of the Tranche 1 shares.

- Tranche 2 – 1,500,000 shares which will vest automatically (within 4 year period from date of issue) (but subject to below) when the TSR in respect of holding ordinary shares in the Company equals 250% - where the TSR is calculated using the average closing share price over the period of 30 consecutive trading days concluding on the issue date for the relevant shares as compared to the average closing share price over the period of 30 consecutive trading days concluding on the relevant calculation date. Notwithstanding the achievement of this TSR, the Tranche 2 shares will not vest until the expiry of 1 year from the date of issue of the Tranche 2 shares.

- Tranche 3 – 2,000,000 shares which will vest automatically when Mr Tom Milicevic reaches his 3rd anniversary of continuous employment with the Company.

In relation to 769,231 shares granted on 13 January 2016, these were issued to Tom Milicevic. These are subject to various operational milestones and continuous employment with the company until the applicant reaches the 3rd anniversary of employment – 3 year loan.

In relation to 2,307,683 shares granted on 8 October 2015, these were issued to 3 employees (769,231 each) as per the existing employee loan share plan approved by shareholders on 29 April 2014. These are subject to various operational milestones and continuous employment with the company until the applicant reaches the 3rd anniversary of employment – 3 year loan.

The 3,000,000 shares and 500,000 shares granted on 28 November 2014 will vest when the company receives FDA approval.

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

Grant date	Expiry date	2019 Number	2018 Number
19/05/2014	19/05/2017	461,539	461,539
28/11/2014	31/12/2018	500,000	500,000
28/11/2014	31/12/2018	3,000,000	3,000,000
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	-
		12,000,001	3,961,539

Notes to the financial statements cont.

OncoSil Medical Ltd
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Note 25. Share-based payments (continued)

Share based payments were priced using Black-Scholes option pricing model inputs to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
31/10/2018	31/10/2021	$0.19	$0.18	62.70%	-	2.10%	$0.078
31/10/2018	31/10/2021	$0.19	$0.18	62.70%	-	2.10%	$0.078
02/03/2018	11/08/2021	$0.13	$0.22	99.00%	-	2.50%	$0.073
02/03/2018	02/03/2021	$0.13	$0.22	99.00%	-	2.50%	$0.073
12/08/2016	30/06/2021	$0.14	$0.22	99.00%	-	2.50%	$0.096
10/05/2016	10/05/2021	$0.15	$0.22	99.00%	-	2.50%	$0.104
13/01/2016	13/01/2019	$0.12	$0.13	99.00%	-	1.95%	$0.081
28/11/2014	31/12/2019	$0.08	$0.13	109.80%	-	2.50%	$0.059
28/11/2014	31/12/2019	$0.08	$0.18	109.80%	-	2.50%	$0.056
30/10/2013	31/12/2019	$0.13	$0.15	82.00%	-	2.50%	$0.089

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 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 $10,994,000 (2018: $10,860,000).

The weighted average remaining contractual life of loan shares outstanding at the end of the financial year was 18 months (2018: 27 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 Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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.

Note 25. Share-based payments (continued)

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 26. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 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

OncoSil Medical Ltd
Directors' declaration
30 June 2019

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 2019 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

Dr Chris Roberts AO
Non-Executive Chairman

23 August 2019
Sydney

Independent auditor's report

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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 statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

Independent auditor's report cont.

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.

Key Audit Matter	How we addressed the Key Audit Matter
Research and Development Tax Incentive *Refer to Note 3 and Note 5*	
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 the income tax exempt entities. 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 2019, the Group had an estimated claim of $3.8 million relating to the year ended 30 June 2019. 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.

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 2019, but does not include the financial report and our auditor's report thereon.

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

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 controls 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 controls.

Independent auditor's report cont.

- Obtain an understanding of internal controls 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 controls.
- 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.
- 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 controls 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, related safeguards.

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 pages 14 to 21 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of OncoSil Medical Ltd, for the year ended 30 June 2019, 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.

Crowe Sydney

John Haydon
Senior Partner

23 August 2019
Sydney

Shareholder information

OncoSil Medical Ltd

The shareholder information set out below was applicable as at 10 September 2018.

Distribution of equitable securities

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

	# of holders of	
Holdings Ranges	ordinary shares	options over ordinary shares
1-1,000	109	0
1,001-5,000	297	0
5,001-10,000	448	0
10,001-100,000	1,795	0
100,001-9,999,999,999	796	0
Totals	**3,445**	**0**
Holding less than a marketable parcel	450	0

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	
Holder Name	# held	% of total shares issued
CITICORP NOMINEES PTY LIMITED	28,354,197	7.61%
WEBINVEST PTY LTD <OLSB UNIT A/C>	24,680,000	3.84%
MR DANIEL KENNY	23,341,667	3.21%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	18,878,071	3.11%
BANNABY INVESTMENTS PTY LIMITED	18,842,690	3.02%
MR ROGER ASTON	12,516,547	2.94%
ROJO NERO CAPITAL PTY LTD	11,718,422	2.58%
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	11,584,768	2.01%
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	11,279,073	1.92%
UBS NOMINEES PTY LTD	10,485,612	1.83%
MR CHRISTOPHER GRAHAM ROBERTS	10,125,000	1.62%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	7,510,000	1.40%
WESTCAP PTY LTD	5,957,687	1.16%
MR ADRIAN DARBY	5,857,480	0.95%
MS NICOLE WILSON	5,650,000	0.84%
MR TOM MILICEVIC	5,650,000	0.82%
MR ASHISH SOMAN	5,650,000	0.80%
MR DAVID CHARLES JAMES	5,650,000	0.80%
MR MICHAEL WARRENER	5,650,000	0.80%
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	5,106,918	0.80%
	234,488,132	37.18%
Total of Securities	**630,708,788**	

Unquoted equity securities

Options over ordinary shares issued

	# of shares	# of holders
Not applicable	0	0

Substantial holders

Substantial holders in the Company are set out below:

	# of shares	# of holders
REGAL FUNDS MANAGEMENT PTY LIMITED	38,416,218	6.09%

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.

Corporate directory

OncoSil Medical Limited ABN 89 113 824 141
www.oncosil.com.au

Directors

Dr Chris Roberts Non-Executive Chairman
Mr Daniel Kenny CEO and Managing Director
Dr Roger Aston Non-Executive Director
Dr Martin Cross Non-Executive Director
Mr Michael Bassett Non Executive Director

Company Secretary

Tom Milicevic CFO and Company Secretary

Registered Office

Suite 402, Level 4, 50 Berry St
North Sydney NSW 2060
T: +61 2 9223 3344

Bankers

Westpac Banking Corporation
341 George St
Sydney NSW 2000

Auditors

Crowe Sydney
Level 15, 1 O'Connell St
Sydney NSW 2000
T: +61 2 9262 2155

Legal Counsel

K&L Gates
Level 25, South Tower, 525 Collins St
Melbourne VIC 3000
T: +61 3 9205 2000

Davies Collison Cave
Level 14, 255 Elizabeth St
Sydney NSW 2000
T: +61 2 9293 1000

Stock Exchange

OncoSil Medical Limited shares are listed on the Australian Securities Exchange
ASX code: OSL

Share Registry

Boardroom Pty Ltd
Level 12, 225 George St
Sydney NSW 2000
T: 1300 737 760

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