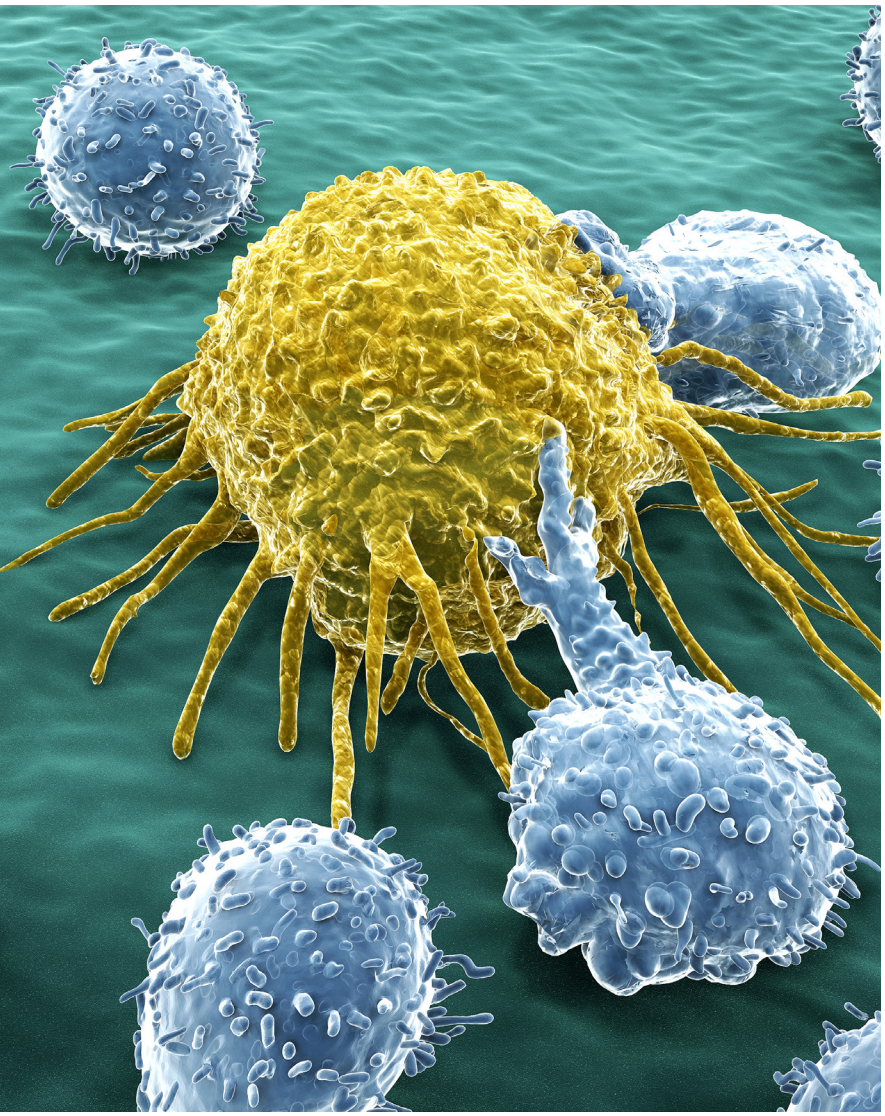
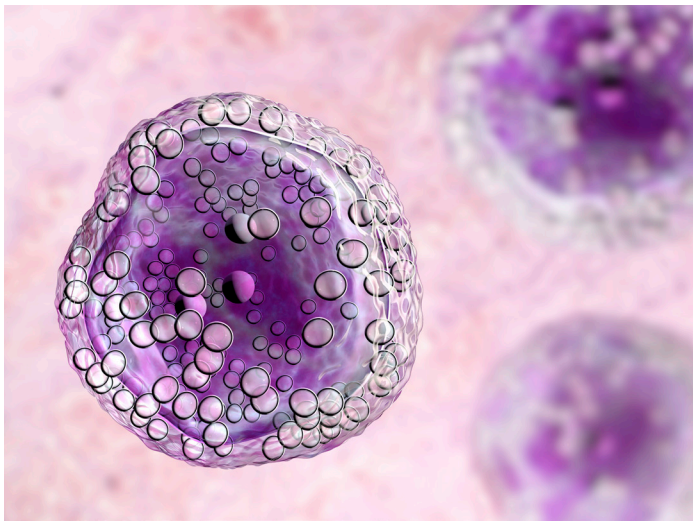
2022
Annual Report





Exposing Cancer.
Enhancing Treatment.

Amplia
THERAPEUTICS

Amplia Therapeutics Limited
ABN 16 165 160 841

Contents

Chairman's Letter

Dear Shareholders

On behalf of your Board it is my pleasure to share with you the 2022 Annual Report of our Company.

Much like 2021 the last year has continued to be impacted by major external levers, the COVID pandemic, international tensions and conflicts and the local political focus on the Federal Election. International and domestic uncertainty has had a predictable effect on the local biotechnology capital market as well as on the robust and timely responses from international service suppliers. Thankfully the Amplia team, well led by our CEO and Managing Director, Dr John Lambert has managed to adapt to a number of challenges and to continue to keep the Company on track to deliver the key development milestones in our plans. John has been carefully building his team with a mix of employees and external contractors to ensure that we have the right resources in terms of skills and people numbers while ensuring that we use our financial resources efficiently as we advance our assets to bring future benefits to patients, the Company and its Shareholders.

Our last Capital raise in Q4 of the 2021 calendar year was very successful and timely, given the current volatility in the market. Well supported by current Institutional and Retail investors, it has put Amplia in a position where we can push on, as planned, with our first clinical trial in patients. Completion of our successful first-in-human trial with AMP945 last year laid the platform for this Phase 2 trial in patients with pancreatic cancer. We have all our approvals in place and we are ready to recruit and treat the first patients in this trial. The level of unmet medical need for new effective therapies for patients with this devastating cancer remains unchanged and we are pleased to now be able to work with patients and clinical investigators to trial AMP945 in this next important step in its overall development pathway.

As always, your Board works closely and constructively with Dr John Lambert providing advice, challenge and guidance. I commend Dr Lambert and his team for their impressive achievements over the past year. Dr Lambert has been our CEO for 3 years and has guided the company through its passage to this important stage and we are grateful for his ongoing careful leadership of the Company. I would like to thank my Board colleagues who have significantly contributed to our success over the past year. They are committed, hardworking and collegiate.

In conclusion, we have continued to deliver on our plans and milestones and built a company now performing clinical trials designed to provide new treatment approaches for patients with pancreatic cancer.

Dr Warwick Tong
Independent Non-Executive Chair

CEO Report

During 2022, I am proud to say that our team continued to rise to every challenge posed by the COVID 19 pandemic and we were able to position the company ready to initiate a clinical trial in people with pancreatic cancer. This is a notable achievement because, in the space of about 18 months, we have transitioned our company from being at the preclinical stages of drug development to being in a position to test our lead asset, AMP945, in some of the patients for whom it is intended.

Much of the year has seen us focusing our attention on the critical planning, project management and trial protocol design, which are essential for the establishment and success of these Phase 2 studies. This includes regular engagement with our network of expert advisors in readiness for interactions with key regulators, including the FDA, to ensure we can meet the requirements of potential drug registration in future. In addition to the Orphan Drug Designations we have received from the FDA, we have now received detailed feedback on our Phase 2 clinical trial design so that when we do seek FDA's approval to dose patients in the United States, we are able to address the FDA's priorities.

In addition to the work we are doing to test AMP945 in people with pancreatic cancer, we are also progressing AMP945 in its other proposed indication, idiopathic pulmonary fibrosis (IPF). The longer-term toxicology studies required in this indication will soon be completed and, subject to the results of these studies, we intend to place AMP945 into a second Phase 2 trial in people with IPF. Planning and design of this trial are well underway.

Our manufacturing work for AMP945 has continued to progress well and we scaled up the manufacture of both AMP945 drug substance as well as the capsules required for patient dosing. In parallel, we are doing the work required to produce a commercially presentable product, and we are confident that this can be successfully achieved while we manage the clinical trials of AMP945.

Nonclinical studies to assess the full potential of AMP886, a highly potent inhibitor of FAK that also inhibits two other validated disease targets, are also ongoing and we have been encouraged by early results. Should these results be verified, it is our intention to continue progression of AMP886 either in our own right or in collaboration with others.

As noted in Dr Tong's letter, I am extremely pleased and proud to have recruited a small and talented team of colleagues who are diligently developing Amplia's assets. During the year, we welcomed Dr Charlotte Mulder, Mr Anthony Bishop and Dr Adrian Sulistio. Brief biographies of these colleagues are on our website. We also engage several experts with deep expertise in their respective fields and we are pleased to work with and benefit from the experience of these people on a daily basis. The Amplia Board, Chaired by Dr Warwick Tong, continues to provide me with constructive advice and sound counsel and I thank them for their unwavering support and diligent devotion to their duties.

As ever, this year's achievements have only been made possible by the support of our shareholders and corporate advisors. We are grateful for your support while our team works towards the dual goals of increasing shareholder value while offering new hope to people with serious illnesses and their families.

Dr John Lambert
CEO and Managing Director

Corporate Directory

Directors	Dr Warwick Tong (Non-Executive Chair) Dr John Lambert (CEO and Managing Director) Dr Robert Peach (Non-Executive Director) Dr Christopher Burns (Non-Executive Director) Mrs Jane Bell (Non-Executive Director)
Company Secretary	Mr. Andrew J. Cooke
Registered office	Level 21, 90 Collins Street Melbourne VIC 3000 Australia
Share register	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000 Australia Telephone: 1300 556 161 (within Australia) + 61 3 9415 4000 (outside Australia) Website: www.investorcentre.com/contact
Auditor	Grant Thornton Audit Pty Ltd Australia
Stock exchange listing	Amplia Therapeutics Limited shares are listed on the Australian Securities Exchange (ASX code: ATX)
Website	www.ampliatx.com

Directors' Report

for the year ended 31 March 2022

Your directors present their report on Amplia Therapeutics Limited (the "Company" or "Amplia") and its subsidiaries (together the "Group") for the year ended 31 March 2022.

Directors

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

Dr Warwick Tong
Mrs Jane Bell
Dr Christopher Burns
Dr John Lambert
Dr Robert Peach

Information on Directors

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

Warwick Tong (MB ChB MPP GAICD) – Independent Non-Executive Director and Chair

Dr Tong is a NZ trained physician with more than 25 years' experience in the Pharmaceutical and Biotechnology industry. After his early career in General Medical Practice Warwick has held a wide variety of roles in the pharmaceutical and biotech industry in NZ(Glaxo) Singapore (GlaxoWellcome) London (GSK), Boston (Surface Logix) and Melbourne (CTx - Cancer Therapeutics CRC). Warwick currently serves as director of Aculeus Therapeutics Pty Ltd and of KMT Pharmaceuticals Pty Ltd. He is a member of the Strategic Advisory Board of the Maurice Wilkins Centre in Auckland NZ and of the CSIRO Manufacturing Business Advisory Committee. Warwick is a former CEO and director of CTx, director and Chair of the CTx commercialisation company, CTxONE, and director and Chair of BioMedVic. Warwick graduated in Medicine at the University of Auckland, holds a Master of Public Policy from Victoria University, Wellington, New Zealand and is a Graduate of the Australian Institute of Company Directors. Warwick was appointed as a Non-Executive Director on the 4th of May 2018 and Chairman on 25 May 2018. Warwick is a member of the Audit Committee.

Directors' Report

for the year ended 31 March 2022

Jane Bell (BEc LLB LLM (Lond) FAICD) – Independent Non-Executive Director

Mrs Bell is a banking and finance lawyer and non-executive director with more than 30 years' experience in leading law firms, financial services and corporate treasury operations gained living in Melbourne, London, Toronto, San Francisco and Brisbane. Jane has been a non-executive director since 2002, serving on 13 boards including nine health and medical research boards. Jane currently serves as Deputy Chair of Monash Health, Director of Jessie McPherson Private Hospital, Chair of the Community Advisory Group of the Melbourne Genomics Health Alliance and is a Tribunal Member of the Administrative Appeals Tribunal. Jane is a former Chair of Melbourne Health (Royal Melbourne Hospital), Chair of Biomedical Research Vic, Deputy Chair of Westernport Water Corporation, Director of UCA Funds Management, WorkSafe Victoria, Hudson Institute of Medical Research-Monash Institute of Medical Research-Prince Henry's Institute of Medical Research, Queensland Institute of Medical Research Trust, Australian Red Cross (Qld) and Victorian Women's Housing Association. Jane holds a Master of Laws from Kings College, London, Bachelor of Laws from the University of Melbourne, Bachelor of Economics from Monash University and is a Fellow of the Australian Institute of Company Directors. Jane was appointed as a Non-Executive Director on the 12 April 2021 and was also appointed Chair of the Audit Committee.

Christopher Burns (B.Sc. (Hons) PhD FRACI FRSC GAICD) – Independent Non-Executive Director

Dr Burns is an experienced drug discovery leader having worked in various roles in pharma, biotech and academia for 25 years. After completing a PhD in Organic Chemistry at the University of Melbourne Chris undertook post-doctoral studies in the USA before moving to Pfizer UK, where he worked on a variety of drug discovery projects. After 5 years he returned to Australia as a Research Fellow at the University of Sydney with the CRC for Molecular Engineering and Technology and after two years moved to the biotechnology company Ambri as Head of Chemistry. Chris then moved to the Melbourne-based biotech Cytopia as Head of Medicinal Chemistry and later as Research Director. During this time he led teams in the discovery of two anti-cancer drugs that entered clinical trial, including the drug momelotinib which recently successfully completed Phase III studies. Chris subsequently joined WEHI in Melbourne as a Laboratory Head before taking on senior roles at the biotech start-ups Metabloq Pharmaceuticals, Certa Therapeutics and, most recently, MycRx, where he is now SVP of R&D. Dr Burns is the inventor on over 30 patents and a co-author on over 60 scientific publications and is a Fellow of the Royal Society of Chemistry (UK) and the Royal Australian Chemical Institute. Chris was appointed as a Non-Executive Director on the 4th of May 2018 and was Chairman of the Audit Committee during the year ended 31 March 2021.

Directors' Report

for the year ended 31 March 2022

Robert Peach (PhD) – Independent Non-Executive Director

Dr Peach has 30 years of drug discovery and development experience in the Pharmaceutical and Biotechnology industry. In 2009 he co-founded Receptos Limited, becoming Chief Scientific Officer and raising US$59M in venture capital and US$800M in an IPO and three subsequent follow-on offerings. In August 2015 Receptos was acquired by Celgene for US$7.8B. Robert held senior executive and scientific positions in other companies including Apoptos, Biogen Idec, IDEC and Bristol-Myers Squibb, supporting in-licensing, acquisition and venture investments. His extensive drug discovery and development experience in autoimmune and inflammatory diseases, and cancer has resulted in multiple drugs entering clinical trials and 3 registered drugs. He is currently on the Board of Directors of AdAlta Limited (1AD) and Rekover Therapeutics, and serves on the Scientific Advisory Board of Eclipse Bioinnovations. Robert is the co-author of 70 scientific publications and book chapters, and 26 patents and patent applications. He was educated at the University of Canterbury and the University of Otago, New Zealand. He was appointed as a Non-Executive Director on 2 September 2015 and is Chairman of the Remuneration Committee.

John Lambert (B.Sc. (Hons) PhD GAICD) – CEO & Managing Director

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

Directors' Report

for the year ended 31 March 2022

Meetings of Directors

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Warwick Tong	16	16	7	7	-	-
Jane Bell	15	15	6	6	-	-
Robert Peach	16	16	-	-	6	6
Christopher Burns	15	16	1	1	6	6
John Lambert	16	16	-	-	-	-

Company secretary

Andrew Cooke (LLB) – Company Secretary

Mr Cooke holds a law degree from Sydney University and has extensive experience in law, corporate finance, governance and compliance. Andrew has been the Company Secretary since 11 October 2013.

Principal activities

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

Operating results

The Group total comprehensive loss after tax for the year ended 31 March 2022 was $3,644,217 (2021: $2,281,153).

Dividends paid or recommended

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

Directors' Report

for the year ended 31 March 2022

Review of operations

In April 2021, the Company completed dosing in its Phase 1 clinical trial of AMP945 in healthy volunteers. The trial achieved its Primary Endpoints by demonstrating that AMP945 is safe and well-tolerated at the doses tested when it is administered as a single oral dose or as repeated, daily oral doses over seven days. Furthermore, in November 2022, the Company reported that at the doses given during the trial, AMP945 inhibited its intended target, Focal Adhesion Kinase (FAK) providing additional support for potential activity of AMP945 in future clinical studies in patients. The pharmacokinetic data generated during the trial also showed that AMP945 could be given once daily by oral dosing.

In June 2021, Amplia finalised the commercial terms and executed its Research Collaboration Agreement with the Garvan Institute of Medical Research (the "Garvan") in Sydney. This collaboration provides the Company with access to the Garvan's research strength in FAK biology and its extensive clinical research network. Amplia has been working with Professor Paul Timpson, a world-renowned expert in FAK biology, from the Garvan for over two years and appointed him to the Company's Scientific Advisory Board in February 2020.

Also in June 2021, Amplia reported promising new preclinical data generated by Professor Timpson's laboratory showing a statistically significant, 27% improvement in survival in a highly aggressive animal model of pancreatic cancer. In September 2021, these results were further validated in an experiment where, in a human-derived model of pancreatic cancer, the Company reported that AMP945, when added to nab-paclitaxel and gemcitabine, improved survival by 33% relative to standard of care alone. These results provided further support and validation of the scientific rationale for incorporating FAK inhibitors into treatment regimens for pancreatic cancer and indicate that they have the potential to have a positive impact on the clinical outcomes for these patients.

In September 2021, Amplia announced the design of its Phase 2 clinical trial of AMP945 in first-line pancreatic cancer patients. The trial will add AMP945 to chemotherapy with gemcitabine and nab-paclitaxel, which is a standard of care currently used to treat the majority of newly diagnosed advanced pancreatic cancer patients. Conducting the Phase 2 trial in first-line patients is expected to expedite recruitment for the trial and provide the best opportunity to detect an efficacy signal. The ability to test AMP945 in a first-line setting is made possible in part by the excellent safety and tolerability profile demonstrated in Amplia's recent Phase 1 clinical trial. The company plans to initiate patient recruitment at Australian sites in the second calendar quarter of 2022, and currently estimates that full recruitment will take 18-24 months.

In January 2022 the Company completed a newly manufactured batch of the AMP945 active pharmaceutical ingredient (API). This material will provide clinical-grade material to be used in clinical trials and the preclinical, chronic animal toxicology studies designed to support the Company's planned clinical trials in people with idiopathic pulmonary fibrosis (IPF). The toxicology studies, conducted in two species, commenced in the first calendar quarter of 2022 and are scheduled to complete around the middle of 2022.

Amplia has also initiated the process for securing a generic drug name for AMP945. This process involves the development and selection of a number of candidate names that simultaneously satisfy multiple naming conventions, an extensive search on their suitability for global use, and then a detailed review and registration process. This can take up to 24 months to complete but is an important part of developing a new drug for commercial use.

The Company has also significantly advanced its plans toward initiating a clinical trial of AMP945 in patients with fibrotic Interstitial Lung Diseases (ILDs). The Company expects to start the first clinical trial of AMP945 in patients with fibrotic lung disease in the second half of 2022.

Directors' Report

for the year ended 31 March 2022

Financial position

The Group loss after tax for the year ended 31 March 2022 was $3,644,217 (2021: $2,281,153). This result included a non-cash share based compensation of $60,953 (2021: $214,432). Since 31 March 2021, the net assets of the Group have increased from $10,339,959 to be $21,847,638 at 31 March 2022.

Research and development expenses increased to $3,772,156 (2021: $2,211,822). This reflected Amplia's focus on progressing lead candidate AMP945 through a Phase I clinical trial and preparations for a Phase II clinical trial.

General and Administration expenses increased to $1,636,051 (2021: $1,134,749). Patent and associated expenses decreased to $154,630 (2021: $312,012). This was due primarily to a milestone payment made in FY21 of US$200,000 to Cancer Research Technology Limited which was due upon commencement of the AMP945 Phase 1 trial.

At balance date the Group held Cash and cash equivalents of $14,608,581 (2021: $1,848,408) and had debt of $2,100,473 (2021: Nil).

The key intangible asset is the exclusive worldwide license to develop and commercialise the drug candidates AMP945 and AMP886. This is being carried at the deemed share consideration paid on acquisition i.e. $7,937,932. The Group continues to believe that the carrying value for these assets at the deemed acquisition value remains appropriate.

On 1 April 2021 the Company had 107,972,609 shares on issue. During the year 85,881,392 shares were issued through placements and exercise of options. A total of $16,270,884 was raised through the placements and exercise of options during the year. The number of shares on issue at 31 March 2022 was 193,854,001.

Options

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

Expiry date	Exercise Price ($)	Number as at 31 March 2022	Number exercised/lapsed during year ended 31 March 2022	Number issued/ exercised post reporting date
30-Jun-22	0.14	5,193,522	348,557	-
31-Aug-22	0.59	750,000	-	-
31-Aug-23	0.59	960,000	-	-
31-Dec-23	0.28	377,166	-	-
10-May-24	0.43	500,000	-	-
24-Jun-24	0.15	1,070,000	130,000	-
2-Sep-25	0.15	720,000	-	-
2-Sep-23	0.20	2,000,000	-	-
2-Sep-25	0.20	1,000,000	-	-
31-Dec-23	0.28	25,439,421	-	-
		38,010,109	***478,557***	

The number of shares under option, on the date of this report, was 38,010,109.

Directors' Report

for the year ended 31 March 2022

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental issues

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

Future developments

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

The Group plans to advance the development of these drug candidates as rapidly as possible. Having completed a Phase 1 clinical trial of AMP945 in healthy volunteers, the Company is now commencing a Phase 2 clinical studies in pancreatic cancer. AMP886 has not yet entered clinical development.

In March 2020, the World Health Organisation declared the outbreak of COVID-19 as a pandemic. The Group conducts manufacturing of its drug candidates, which are used for trial purposes, using overseas suppliers. Continued outbreaks of COVID-19 may cause business disruption to supply of product. There is uncertainty around the potential consequences of such disruptions and as such the Group is unable to determine if such disruptions would have a material impact on its operations.

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.

Directors' Report

for the year ended 31 March 2022

Audit committee

The Audit Committee Charter is available on the Company's website at http://www.ampliatx.com/site/About-Us/corporate-governance.

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

Mrs Jane Bell (Chair) - appointed 29 April 2022

Dr Warwick Tong

Dr Christoper Burns (Chair) - resigned 29 April 2022

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

Non-audit services

The external auditors, Grant Thornton, were engaged to provide tax compliance and other accounting services and were paid $7,500 for these services in 2022 (2021: $7,500).

Directors' Indemnification

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

- The Company entered into Deeds of Indemnity, Insurance and Access in favour of all directors.
- The Company has paid premiums to insure all directors of the parent entity and officers of the consolidated entity against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Auditor

The lead auditor has provided the Auditor's Independence Declaration under section 307C of the Corporations Act 2001 (Cth) for the year ended 31 March 2022 and a copy of this declaration forms part of the Directors' Report.

Directors' Report

for the year ended 31 March 2022

Remuneration report

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

Directors and KMP disclosed in this report:

Directors

Warwick Tong	Chairman and Non-Executive Director
John Lambert	Chief Executive Officer & Managing Director
Robert Peach	Non-Executive Director
Christopher Burns	Non-Executive Director
Jane Bell	Non-Executive Director

KMP

Jeff Carter [1]	Chief Financial Officer

[1] Jeff Carter provided CFO services to the Company until 1 November 2021.

Role of the Remuneration Committee

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

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

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

Non-Executive Directors' remuneration policy

Fees and payments to Non-Executive Directors reflect the demands, which are made on, and the responsibilities of, the directors. For the financial year ended 31 March 2022, the Board approved an annual base fee of $33,000 for the Chairman and $22,000 for the other Non-Executive Directors (which also covers serving on a committee), paid six monthly in arrears. Long term incentives are provided through participation in the Employee Share Option Plan.

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

Directors' Report

for the year ended 31 March 2022

Executive remuneration policy

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

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

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

To enable share options to be included as part of Director and KMP remuneration, an Employee Share Option Plan was approved by the Board of Directors 12 November 2013 and subsequently approved by shareholders at the Company's Annual General Meeting on 30 August 2019.

Directors' Report

for the year ended 31 March 2022

Directors' and other Key Management Personnel Remuneration - 31 March 2022

Details of the nature and amount of each element of the remuneration of each Director and KMP for the year ended 31 March 2022, are shown in the table below:

2022	Cash salary & fees ($)	Cash bonus ($)	Non-monetary benefits ($)	Superan-nuation ($)	Retire-ment benefits ($)	Long service leave ($)	Share based payments (options) ($)	Total
Directors								
Non-Executive								
Warwick Tong	33,000	-	-	-	-	-	-	33,000
Robert Peach	22,000	-	-	-	-	-	9,650	31,650
Christopher Burns	22,000	-	-	-	-	-	-	22,000
Jane Bell[3]	20,000	-	-	2,000	-	-	-	22,000
Total	*97,000*	*-*	*-*	*2,000*	*-*	*-*	*9,650*	*108,650*
Executive								
John Lambert[1]	263,036	68,136	-	23,851	-	-	24,588	379,611
KMP								
Jeff Carter[2]	72,047	-	-	-	-	-	-	72,047
	432,083	*68,136*	*-*	*25,851*	*-*	*-*	*34,238*	*560,308*

[1] Dr Lambert's annual salary was increased from $260,000 plus statutory superannuation to $296,432 plus statutory superannuation in March 2022. During the 2022 financial year two cash bonuses were paid, $59,500 for the year ended 31 March 2021 and $68,136 for the year ended 31 March 2022. No director fees were paid to Dr Lambert.

[2] Jeff Carter provided CFO services to 1 November 2021. CFO services were subsequently provided by Bio101 Financial Advisory Pty Ltd which the Board determined do not meet the definition of a KMP.

[3] Jane Bell commenced 12 April 2021.

Directors' Report

for the year ended 31 March 2022

Directors' and other Key Management Personnel Remuneration - 31 March 2021

Details of the nature and amount of each element of the remuneration of each Director and KMP for the year ended 31 March 2021, are shown in the table below:

2021	Cash salary & fees ($)	Cash bonus ($)	Non-monetary benefits ($)	Superan-nuation ($)	Retire-ment benefits ($)	Long service leave ($)	Share based payments (options) ($)[4]	Total
Directors								
Non-Executive								
Warwick Tong[1]	30,000	-	-	-	-	-	-	30,000
Robert Peach[1]	20,000	-	-	-	-	-	19,631	39,631
Christopher Burns[1]	20,000	-	-	-	-	-	-	20,000
Total	*70,000*	*-*	*-*	*-*	*-*	*-*	*19,631*	*89,631*
Executive								
John Lambert[2]	224,000	129,637	-	25,556	-	-	48,489	427,682
KMP								
Jeff Carter[3]	117,300	-	-	-	-	-	35,800	153,100
	411,300	*129,637*	*-*	*25,556*	*-*	*-*	*103,920*	*670,413*

[1] Director fees for the three months to 30 June 2020 were paid in shares as approved by shareholders. The remaining amount was paid in cash.

[2] Dr Lambert's annual salary was increased from $180,000 plus statutory superannuation to $260,000 plus statutory superannuation in September 2020. The cash bonus of $70,137 for the year ended 31 March 2020 was paid during the current year and an accrual of $59,500 cash bonus for the year ended 31 March 2021 was made. No director fees were paid to Dr Lambert.

[3] Mr Carter's CFO services are provided by Mr Carter's service company, Joblak Pty Ltd. The Company entered into a contract for his services at $7,525 per month plus payment for any excess hours.

[4] Share based payments have all been in the form of options.

The Board set no other performance criteria for KMP during the year to 31 March 2021 and no other bonuses were paid to them.

Directors' Report

for the year ended 31 March 2022

Options issued as part of remuneration for the year ended 31 March 2022

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

No options were issued to Directors as part of remuneration during the year ended 31 March 2022. No options were issued to KMP's as part of remuneration during the year ended 31 March 2022.

Options issued as part of remuneration for the year ended 31 March 2021

No options were issued to Directors as part of remuneration during the year ended 31 March 2021. The following options were issued to KMP's as part of remuneration during the year ended 31 March 2021.

	Date of issue	Number	Vesting[1]	Strike Price	Expiry	Fair Value ($)
Other KMP						
Jeff Carter	02/09/2020	500,000	Immediately	$0.20	02/09/2025	$35,800

[1] These options were Mr Carter's first issue of options since the Company acquisition of Amplia Therapeutics Pty Ltd on 26 April 2018. The fair value of the options issued was 7.16 cents each.

No other options were issued to Directors or other KMP's during the year to 31 March 2021.

Employment contracts

John Lambert - CEO & Managing Director

Dr Lambert was appointed CEO on 24 June 2019 and Managing Director on 6 February 2020. His fixed remuneration was $260,000 per annum plus statutory superannuation. From 1 March 2022, remuneration increased to $296,432 per annum plus statutory superannuation. Under the initial agreement he was granted 1,200,000 options with an exercise price of $0.155 and an expiry date of 24 June 2024. Either party may terminate the Employment Agreement by the giving of three month's written notice to the other. Dr Lambert has a short term performance incentive of 25% of fixed remuneration plus statutory superannuation.

Non-Executive Directors

There are engagement letters in place for all Non-Executive Directors.

Directors' Report

for the year ended 31 March 2022

Directors and other Key Management Personnel equity holdings

(i) Options provided as remuneration and shares issued on the exercise of such options are outlined below. The terms and conditions of the options issued during the year ended 31 March 2022 can be found above ("Options Issued as part of Remuneration for the year ended 31 March 2022"). The terms and conditions of the options issued during the year ended 31 March 2021 can be found above ("Options Issued as part of Remuneration for the year ended 31 March 2021").

(ii) The number of unlisted options over ordinary shares in the company held by each director of the company and other KMP (including related parties) of the Group are set out below including all options that are vested and exercisable at year end.

Loans to Directors and Other Key Management Personnel

There were no loans to any directors of the Company or other KMP of the Group during the financial year ended 31 March 2022.

Other Transactions with Directors and Other Key Management Personnel

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

Consequences of Performance on Shareholder Wealth

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

Item	2022	2021	2020	2019	2018
EPS (cents)	(2.50)	(2.41)	(4.58)	(4.56)	(19.00)
Dividends (paid)	-	-	-	-	-
Net profit/loss ($000)	(3,644)	(2,281)	(2,219)	1,870	4,297
Share Price - (cents)	14.50	26.00	6.00	14.00	79.00

Directors' Report

for the year ended 31 March 2022

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 31 March 2022.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 March 2022.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 March 2022.

Directors' Interests

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

	Ordinary shares	Options
Warwick Tong	2,855,140	198,334
Robert Peach	1,664,760	1,090,984
Christopher Burns	2,527,798	48,519
John Lambert	437,500	1,899,168
Jane Bell	2,025,474	72,590
	9,510,672	***3,309,595***

The above table only includes details for Directors that were Directors at the date of this report.

Directors' Report

for the year ended 31 March 2022

Directors' Benefits

Since 1 April 2021, no director has received or become entitled to receive a benefit because of a contract made by the Company, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

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

This concludes the remuneration report, which has been audited.

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 Warwick Tong
Non-Executive Chairman

30 May 2022

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Auditor's Independence Declaration

To the Directors of Amplia Therapeutics Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Amplia Therapeutics Limited for the year ended 31 March 2022, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 30 May 2022

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 March 2022

	Note	2022 $	2021 $
Revenue and other income			
COVID cash flow boost		-	57,720
R&D tax incentive	5	1,983,316	1,533,521
Interest income		616	1,293
Total revenue and other income		***1,983,932***	***1,592,534***
Expenses			
Research & development expenses		(3,772,156)	(2,211,822)
Patent & associated expenses		(154,630)	(312,012)
Administrative & general expenses		(1,636,051)	(1,134,749)
Share based compensation		(60,953)	(214,432)
Depreciation and amortisation expense		(3,209)	(672)
Total expenses		***(5,626,999)***	***(3,873,687)***
Operating deficit before financing costs		(3,643,067)	(2,281,153)
Interest expense		(1,150)	-
Loss before income tax expense		(3,644,217)	(2,281,153)
Income tax expense	13	-	-
Loss after income tax expense for the year attributable to the owners of Amplia Therapeutics Limited		(3,644,217)	(2,281,153)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Amplia Therapeutics Limited		***(3,644,217)***	***(2,281,153)***
		Cents	**Cents**
Basic and diluted earnings per share	4	(2.50)	(2.41)

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

Consolidated statement of financial position

As at 31 March 2022

	Note	March 2022 $	March 2021 $
Assets			
Current assets			
Cash and cash equivalents	6	14,608,581	1,848,408
R&D tax incentive receivable		1,843,003	1,000,000
Prepayments		33,586	45,979
Other current assets		47,684	41,299
Total current assets		*16,532,854*	*2,935,686*
Non-current assets			
Property, plant and equipment	7	12,915	5,471
Intangibles	8	7,937,932	7,937,932
Total non-current assets		7,950,847	7,943,403
Total assets		*24,483,701*	*10,879,089*
Liabilities			
Current liabilities			
Accounts payable & accrued liabilities	9	486,176	517,660
Provisions		44,004	21,470
Total current liabilities		*530,180*	*539,130*
Non-current liabilities			
Borrowings	10	2,100,473	-
Provisions		5,410	-
Total non-current liabilities		*2,105,883*	*-*
Total liabilities		2,636,063	539,130
Net assets		21,847,638	10,339,959
Equity			
Issued capital	11	151,507,741	136,554,307
Reserves	12	(1,041,651)	(1,007,113)
Accumulated losses		(128,618,452)	(125,207,235)
Total equity		*21,847,638*	*10,339,959*

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

Consolidated statement of changes in equity

For the year ended 31 March 2022

	Issued capital $	Share option reserve $	Foreign currency trans-lation reserve $	Accumulated losses $	Total equity $
Balance at 1 April 2020	132,903,135	447,329	(1,818,617)	(122,926,082)	8,605,765
Loss after income tax expense for the year	-	-	-	(2,281,153)	(2,281,153)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	*(2,281,153)*	*(2,281,153)*
Transactions with owners in their capacity as owners:					
Issue of shares	4,127,358	-	-	-	4,127,358
Issue of shares on exercise of options	75,733	-	-	-	75,733
Cost of issuing shares	(551,919)	149,743	-	-	(402,176)
Share-based payments	-	214,432	-	-	214,432
Balance at 31 March 2021	*136,554,307*	*811,504*	*(1,818,617)*	*(125,207,235)*	*10,339,959*

	Issued capital $	Share option reserve $	Foreign currency trans-lation reserve $	Accumulated losses $	Total equity $
Balance at 1 April 2021	136,554,307	811,504	(1,818,617)	(125,207,235)	10,339,959
Loss after income tax expense for the year	-	-	-	(3,644,217)	(3,644,217)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	*(3,644,217)*	*(3,644,217)*
Transactions with owners in their capacity as owners:					
Share-based payments	-	60,953	-	-	60,953
Issue of shares	16,201,762	-	-	-	16,201,762
Issue of shares on exercise of options	69,122	-	-	-	69,122
Cost of issuing shares	(1,317,450)	137,509	-	-	(1,179,941)
Expiry of options previously recorded as share-based payments	-	(233,000)	-	233,000	-
Balance at 31 March 2022	*151,507,741*	*776,966*	*(1,818,617)*	*(128,618,452)*	*21,847,638*

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

Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Interest received		616	1,852
Covid cash flow boosts		-	57,720
R&D tax incentive received		1,140,313	567,748
Payments to suppliers		(4,588,816)	(2,935,297)
Payments to employees		(954,132)	(608,278)
Net cash used in operating activities	14	(4,402,019)	(2,916,255)
Cash flows from investing activities			
Payments for property, plant and equipment	7	(14,402)	(5,347)
Payments for security deposits		(12,240)	-
Net cash used in investing activities		(26,642)	(5,347)
Cash flows from financing activities			
Proceeds from issue of shares	11	16,201,762	4,063,564
Proceeds from issue of shares from the exercise of options		69,122	-
Capital raising costs		(1,181,863)	(400,258)
Proceeds from borrowings		2,100,000	-
Net cash from financing activities		17,189,021	3,663,306
Net increase in cash and cash equivalents		12,760,360	741,704
Cash and cash equivalents at the beginning of the financial year		1,848,408	1,108,115
Effects of exchange rate changes on cash and cash equivalents		(187)	(1,411)
Cash and cash equivalents at the end of the financial year	6	14,608,581	1,848,408

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

Notes to the Financial Statements

for the year ended 31 March 2022

Note 1. Significant accounting policies

(a) Basis of preparation

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

The financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures the consolidated financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS"). Amplia is a for profit entity for the purposes of reporting under Australian Accounting Standards.

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

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

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

The consolidated entity has adopted all the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of the new accounting standards and interpretations did not have a material impact on the financial statements.

Any new or amended accounting standards or interpretations that at not yet mandatory have not been early adopted.

Notes to the Financial Statements

for the year ended 31 March 2022

(b) Principles of consolidation

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

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

A list of controlled entities is found in note 17 of the Financial Statements.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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

Where the consolidated entity 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 consolidated entity 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.

(c) Cash and cash equivalents

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

Notes to the Financial Statements

for the year ended 31 March 2022

(d) Property, plant and equipment

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

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

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

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

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

e) Foreign currencies

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

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

(f) Research and Development

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

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

(g) Share capital

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

Notes to the Financial Statements

for the year ended 31 March 2022

(h) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

(i) Goods & services tax

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

(j) Income tax

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

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

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

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

(k) Other income

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

Notes to the Financial Statements

for the year ended 31 March 2022

(l) Statement of cash flows

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

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

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

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

(m) Share-based compensation

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

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

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

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

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

(n) Finance income and expenses

Finance income

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

Finance expenses

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

Notes to the Financial Statements

for the year ended 31 March 2022

(o) Operating expenses

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

(p) Financial Instruments

Financial assets at amortised cost

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

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

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

Impairment of financial assets

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

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

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

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

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

Notes to the Financial Statements

for the year ended 31 March 2022

Trade and other receivables and contract assets

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

Financial liabilities

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

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

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

Derivative financial instruments

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

Determination of fair value and fair value hierarchy

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

Level 1:	Quoted prices in active markets for the same instrument (i.e. without modification or repackaging);
Level 2:	Quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data and yield curve information provided by the Group's bankers; and
Level 3:	Valuation techniques for which significant inputs are not based on observable market data.

(q) Post employment benefits and short term employment benefits

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

Notes to the Financial Statements

as at 31 March 2022

(r) Segment reporting

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

(s) Intangible assets

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

(t) Going concern

The financial statements have been prepared on a going concern basis after taking into consideration the net loss for the year of $3,644,217 and the cash and cash equivalents balance of $14,608,581 and borrowings of $2,100,473. The going concern basis contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments. The Group has prepared detailed cash flow forecasts and believe that they will have sufficient cash to further research and development plans for at least the next 12 months. Accordingly, the financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

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

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The Company conducts manufacturing of its drug candidates, which are used for trial purposes, using overseas suppliers. Continued outbreaks of COVID-19 may cause business disruption to supplies of product. There is uncertainty around the consequences of such disruptions and as such, the Company is unable to determine if such disruptions would have a material impact to its operations. However, at this stage the directors do not believe this will impact the going concern of the Company.

Notes to the Financial Statements

as at 31 March 2022

(u) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave 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.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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.

(v) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the loans and borrowings using the effective interest method.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Notes to the Financial Statements

as at 31 March 2022

Note 2. 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. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

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

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

- Estimate and receipt of the R&D future tax incentive accrued. This is based on management's assessment of the qualifying R&D expenses and the expected recoverability of this government R&D tax incentive payment refer (note 5 'R&D tax incentive').
- The Group assesses the impairment of non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment by comparing the carrying value to the recoverable amount. The recoverable amount of the asset is determined using a number of key estimates and assumptions including recent clinical trial results, other publicly available information and the market capitalisation of the company (refer note 8 'Intangibles').

Note 3. Segment information

The Group has no operating segments as management review financial information on a consolidated basis. During the 2022 financial period the Group conducted all its activities in Australia.

Notes to the Financial Statements

as at 31 March 2022

Note 4. Earnings per share

	2022 $	2021 $
Loss after income tax attributable to the owners of Amplia Therapeutics Limited	(3,644,217)	(2,281,153)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	145,548,817	94,692,802
	Cents	**Cents**
Basic and diluted earnings per share	(2.50)	(2.41)

Note 5. R&D tax incentive

	2022 $	2021 $
R&D tax incentive - year ended 31 March 2020	-	533,521
R&D tax incentive - year ended 31 March 2021	140,313	1,000,000
R&D tax incentive - year ended 31 March 2022	1,843,003	-
	1,983,316	***1,533,521***

In the financial statements for the year ended 31 March 2021 an accrual was made for the potential R&D tax incentive of $1,000,000. Post finalisation of the Annual Report for the year ended 31 March 2021, the R&D tax incentive was finalised and the total refund expected was increased to $1,140,313. Therefore $140,313 has been recognised as income in the current period.

Notes to the Financial Statements

as at 31 March 2022

Note 6. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	March 2022 $	March 2021 $
Cash at bank	3,984,127	103,844
Cash on deposit	10,624,454	1,744,564
	14,608,581	***1,848,408***

Note 7. Property, plant and equipment

	March 2022 $	March 2021 $
Office equipment - at cost	17,256	8,534
Less: Accumulated depreciation	(4,341)	(3,063)
	12,915	***5,471***
Balance at the beginning of the period	5,471	797
Additions	14,402	5,346
Depreciation expense	(3,208)	(672)
Reallocations	(3,750)	-
Balance at the end of the period	***12,915***	***5,471***

Notes to the Financial Statements

as at 31 March 2022

Note 8. Intangibles

	March 2022 $	March 2021 $
Other intangible assets - at cost	7,937,932	7,937,932
Less: Accumulated amortisation	-	-
	7,937,932	*7,937,932*

On 26 April 2018 the Company's shareholders approved the acquisition of Amplia Therapeutics Pty Ltd via the issue of 18,460,308 shares. The closing share price on that date was 43 cents. The deemed share consideration paid on acquisition was therefore $7,937,932. The only asset of Amplia Therapeutics at acquisition was an exclusive worldwide license to develop and commercialise the drug candidates AMP945 & AMP866.

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

Note 9. Accounts payable & accrued liabilities

	March 2022 $	March 2021 $
Accounts payable and accrued liabilities	368,894	486,681
Other payables	117,282	30,979
	486,176	*517,660*

Refer to note 15 for further information on financial instruments.

Notes to the Financial Statements

as at 31 March 2022

Note 10. Borrowings

	March 2022 $	March 2021 $
Loan - R&D Advance	2,100,000	-
Accrued interest	473	-
	2,100,473	-

Refer to note 15 for further information on financial instruments.

During the period the Company executed a funding facility (Facility) with Treasury Corporation of Victoria (TCV) as part of the Victorian Government's R&D Cash Flow Loan Initiative (Initiative) of up to $2,100,000.

The Company received the first tranche of $1,260,000 in December 2021 and the second tranche of $840,000 in February 2022.

Interest on Facility advances is variable at the "TCV 11am" loan interest rate (currently 0.265%). Repayment of the Facility is timed to coincide with receipt of Amplia's FY2023 RDTI refund, expected by 31 October 2023, but may be repaid earlier. The Facility is secured by the FY2022 and FY2023 R&D Tax Incentive (RDTI) refunds.

Note 11. Issued capital

	March 2022 Shares	March 2021 Shares	March 2022 $	March 2021 $
Ordinary shares - fully paid	193,854,001	107,972,609	151,507,741	136,554,307

At 31 March 2022, 193,854,001 ordinary shares (March 2021: 107,972,609) were issued and fully paid. All ordinary shares rank equally as to voting, dividends and liquidation. There are no reserved shares of the Group. The shares have no par value.

Notes to the Financial Statements

as at 31 March 2022

Note 11. Issued capital - continued

	March 2022 Shares	March 2021 Shares	March 2022 $	March 2021 $
Balance brought forward as at 1 April	107,972,609	66,463,185	136,554,307	132,903,139
Issue of shares	85,402,835	39,878,307	16,201,762	3,987,831
Issue of shares from the exercise of options	478,557	531,609	69,122	75,733
Issue to Directors in lieu of fees	-	1,099,508	-	139,527
Transaction costs relating to issue of shares	-	-	(1,317,450)	(551,923)
Balance carried forward	193,854,001	107,972,609	151,507,741	136,554,307

Shares Issued

During the year a total of 85,881,392 (March 2021: 41,509,424) Ordinary Shares were issued.

Options

The Company has on issue 38,010,109 share options as at 31 March 2022 (March 2021: 13,542,079). During the period 26,316,587 (March 2021: 3,720,000) options were issued and 478,557 (March 2021: 531,609) were exercised. During the year 1,370,000 options that were not exercised expired.

Share Based Compensation

The movement in fair value of employee, director and non-employee share options of $60,953 (March 2021: $214,432) corresponds with the amount recorded in expenses during the period and represents the fair value of vested and issued options.

The total share based payment recognised as a cost of raising capital and deducted from equity for the period was $137,509.

Share Option Reserve

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

Foreign Currency Translation Reserve

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

Notes to the Financial Statements

as at 31 March 2022

Note 12. Reserves

	March 2022 $	March 2021 $
Foreign currency reserve	(1,818,617)	(1,818,617)
Share option reserve	776,966	811,504
	(1,041,651)	***(1,007,113)***

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, and other parties as part of their compensation for services.

	March 2022 $	March 2021 $
Reconciliation of movement:		
Balance at beginning of period	811,504	447,329
Share-based payment expenses (recognised in the Profit and Loss statement)	60,953	214,432
Share-based payment expenses (recognised in Equity as costs of raising capital)	137,509	149,743
Reversal of share-based payments (previously recognised in the Profit and Loss statement)	(233,000)	-
Balance at end of period	***776,966***	***811,504***

The total share-based payment expense amortised for the year ended 31 March 2022 was $198,462 (2021: $364,175). $233,000 was recognised in retained earnings as a reversal of share-based payment expenses relating to options that lapsed during the financial year that were previously recognised in the Profit and Loss statement.

Notes to the Financial Statements

as at 31 March 2022

Note 12. Reserves (continued)

Share based compensation

Options may be issued to external consultants or non-related parties without shareholders' approval, where the annual 15% capacity pursuant to ASX Listing Rule 7.1 has not been exceeded. Options cannot be offered to a director or an associate except where approval is given by shareholders at a general meeting.

Options may be issued to employees in accordance with the Company's existing ESOP. Options cannot be offered to a director or an associate except where approval is given by shareholders at a general meeting. Each option issued converts into one ordinary share of Amplia Therapeutics Limited on exercise. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Set our below are summaries of options granted to employees, directors and consultants that fall under AASB2 for the year ended 31 March 2022:

Grant date	Exercise price	Balance at start of year	Granted during year	Expired/ exercised during year	Balance at end of year	Expiry date
31/08/2018	$0.590	1,370,000	-	(1,370,000)	-	31/03/2022
31/08/2018	$0.590	960,000	-	-	960,000	31/08/2023
31/08/2018	$0.590	750,000	-	-	750,000	31/08/2022
01/10/2019	$0.155	1,200,000	-	(130,000)	1,070,000	24/06/2024
02/09/2020	$0.200	1,000,000	-	-	1,000,000	02/09/2025
02/09/2020	$0.150	720,000	-	-	720,000	02/09/2025
02/09/2020	$0.200	2,000,000	-	-	2,000,000	02/09/2023
10/05/2021[1]	$0.428	-	500,000	-	500,000	10/05/2024
20/12/2021[2]	$0.280	-	2,500,000	-	2,500,000	31/12/2023
18/01/2022[3]	$0.280	-	377,166	-	377,166	31/12/2023
		8,000,000	***3,377,166***	***(1,500,000)***	***9,877,166***	
Weighted average exercise price		$0.34	$0.30	$0.55	$0.29	

[1] 500,000 options were granted to corporate advisors Taylor Collison for services provided in the capital raise in May 2021. The vesting date of the options is the issue date.

[2] 2,500,000 options were granted to corporate advisors Taylor Collison for services provided in the capital raise in December 2021. The vesting date of the options is the issue date.

[3] 377,166 options were granted to Company Secretary for services provided to the Company. The vesting date of the options is the issue date.

Notes to the Financial Statements

as at 31 March 2022

Note 12. Reserves (continued)

The weighted average remaining contractual life in years is 1.91 (2021: 2.64)

The fair value of options granted is estimated using the Black-Scholes option-pricing model. For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free rate
10/05/2021	10/05/2024	$0.250	$0.428	113.04%	0.00%	0.10%
20/12/2021	31/12/2023	$0.135	$0.280	71.92%	0.00%	0.10%
18/01/2022	31/12/2023	$0.170	$0.280	71.33%	0.00%	0.10%

Set out below are summaries of options granted to employees, directors and consultants for the year ended 31 March 2021:

Grant date	Exercise price	Balance at start of year	Granted during year	Expired/ exercised during year	Balance at end of year	Expiry date
31/08/2018	$0.590	1,370,000	-	-	1,370,000	31/03/2022
31/08/2018	$0.590	960,000	-	-	960,000	31/08/2023
31/08/2018	$0.590	750,000	-	-	750,000	31/08/2022
1/10/2019	$0.155	1,200,000	-	-	1,200,000	24/06/2024
2/09/2020[1]	$0.200	-	1,000,000	-	1,000,000	2/09/2025
2/09/2020[2]	$0.150	-	720,000	-	720,000	2/09/2025
2/09/2020[3]	$0.200	-	2,000,000	-	2,000,000	2/09/2023
		4,280,000	***3,720,000***	***-***	***8,000,000***	
Weighted average exercise price		$0.47	$0.19	$0.00	$0.34	

[1] 500,000 options were granted to each of the Chief Financial Officer and Company Secretary for services provided to the Company. The vesting date of the options is the issue date.

[2] 720,000 options were granted to a consultant for services provided to the Company. The vesting date of the options is the issue date.

[3] 2,000,000 options were granted to corporate advisors Taylor Collison for services provided in the placements and rights issues undertaken during the period June to August 2019. The vesting date of the options is the issue date

The weighted average remaining contractual life in years is 2.64.

Notes to the Financial Statements

as at 31 March 2022

Note 13. Provision for income tax

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

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

The Group is a resident for Australian tax purposes and is subject to the statutory tax rate in Australia applicable to the size of the Group i.e. 25% (2021: 26%). The recoverability of prior tax losses will be dependent on the Group meeting either the "continuity of ownership test" or the "continuity of business test". The Group believes that it will meet one of these tests but regardless, has not recognised the tax benefit of any tax losses carried forward.

	2022 $	2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(3,644,217)	(2,281,153)
Tax at the statutory tax rate of 25% (2021: 26%)	(911,054)	(593,100)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	15,238	55,752
Licence payments	8,458	70,825
Other non-deductible/(non-assessable) items	360	-
Research & development	563,368	198,986
Unrecognised temporary differences	(60,082)	(44,755)
Unrecognised tax losses	383,712	312,292
Income tax expense	-	-

Notes to the Financial Statements

as at 31 March 2022

Note 13. Provision for income tax (continued)

	March 2022 $	March 2021 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Provision for holiday pay	12,354	5,582
Other accruals	14,007	8,580
Section 40-880 deduction carry forward	319,812	120,003
Patent application carry forward	31,096	34,361
Net operating loss to carry forward	1,900,031	1,639,516
Total deferred tax assets not recognised	2,277,299	1,808,042

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 14. Reconciliation of loss after taxation to cash flows from operating activities

	2022 $	2021 $
Loss after income tax expense for the year	(3,644,217)	(2,281,153)
Adjustments for:		
Depreciation	3,209	672
Share based compensation	60,953	214,432
Directors fees paid in shares	-	139,527
Other	(248)	124
Changes in Working Capital		
Accounts receivable and prepayments	(825,432)	(1,018,367)
Accounts payable and accruals	3,716	28,510
Net cash used in operating activities	*(4,402,019)*	*(2,916,255)*

Notes to the Financial Statements

as at 31 March 2022

Note 15. Financial instruments

Capital management

The Group manages its capital to ensure entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 31 March 2021.

The Group is not subject to any externally imposed capital requirements.

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements.

Categories of financial instruments, including fair value of financial instruments

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

	March 2022		March 2021	
	Carrying amounts $	Fair value $	Carrying amounts $	Fair value $
Non-derivative financial assets				
Loans and Receivables				
(i) Accounts receivable	-	-	-	-
(ii) Other receivables	1,843,003	1,843,003	1,000,000	1,000,000
	1,843,003	*1,843,003*	*1,000,000*	*1,000,000*
Non-derivative financial liabilities				
At amortised cost				
(i) Accounts payable, accrued liabilities and provisions	535,590	535,590	539,130	539,130
(ii) Borrowings	2,100,473	2,100,473	-	-
	2,636,063	*2,636,063*	*539,130*	*539,130*

Notes to the Financial Statements

as at 31 March 2022

Note 15. Financial instruments (continued)

Financial Risks

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

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

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

Currency Risk – Currency risk is the risk of loss to the Group arising from adverse changes in foreign exchange rates. The Group has an Australian dollar presentation currency and is exposed to currency risk in respect of amounts held in foreign currency bank accounts and demand deposits. At 31 March 2022 the Group held NZ$0 (2021: NZ$2,128) and Euro 50 (2021: Euro 50) in such accounts and deposits. Should exchange rates strengthen by 10% this would have an impact of A$7 (2021: A$10).

Interest Rate Risk – Interest rate risk is the risk of loss to the Company arising from adverse changes in interest rates. At 31 March 2022, the Company held $10,624,454 (2021: $1,744,564) in such accounts and deposits. A 50 basis points (0.5%) decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For each interest rate movement of 50 basis points lower, assuming all other variables were held constant, the Group's loss for the year would increase by $53,000 (2021: $8,700).

At 31 March 2022, the Company had an R&D cash flow loan with the Victorian Government of $2,100,000 (2021: $0). A 50 basis points (0.5%) increase is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For each interest rate movement of 50 basis points higher, assuming all other variables were held constant, the Group's loss for the year would increase by $16,000 (2021: $0).

Notes to the Financial Statements

as at 31 March 2022

Note 15. Financial instruments (continued)

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

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
2022 March						
Accounts payable and accrued liabilities	486,176	486,176	486,176	-	-	-
Borrowings	2,100,473	2,100,473	-	-	2,100,473	-
	2,586,649	***2,586,649***	***486,176***	***-***	***2,100,473***	***-***
2021 March						
Accounts payable and accrued liabilities	539,130	539,130	539,130			

Note 16. Related parties

(a) Parent entity

The immediate parent and ultimate controlling party of the Group is Amplia Therapeutics Limited. Interests in subsidiaries are set out in note 17.

(b) Directors & other key management personnel remuneration

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

	March 2022	March 2021
Short-term benefits (including performance bonuses)	500,219	540,937
Post-employment benefits	25,851	25,556
Share based payments	34,238	103,920
	560,308	670,413

Notes to the Financial Statements

as at 31 March 2022

Note 17. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Principal activities	Ownership interest March 2022 %	Ownership interest March 2021 %
Amplia Therapeutics (UK) Limited [1]	United Kingdom	Research & Development	-	100.00%
ACN 612 556 948 Pty Ltd (formerly Amplia Therapeutics Pty Ltd)	Australia	Licence holding company	100.00%	100.00%

[1] On 15 March 2022, Amplia Therapeutics UK Limited was de-registered.

Note 18. Remuneration of auditors

	March 2022 $	March 2021 $
Audit and review of financial statements		
Grant Thornton - Australia	53,000	49,500
Other services		
Grant Thornton - Australia		
Taxation compliance	7,500	7,500
Total auditor's remuneration	*60,500*	*57,000*

Notes to the Financial Statements

as at 31 March 2022

Note 19. Commitments and contingencies

Licenses (AMP945 & AMP886)

Under the in-licence agreement with Cancer Research Technology Limited ("CRT") signed in March 2018, the Company was required to use commercially reasonable efforts to develop AMP945 by filing an Investigational New Drug ("IND") application or commence a Phase 1 trial within two years. This obligation was met in October 2020 when the Company initiated a Phase 1 trial of AMP945.

For AMP886, the Company agreed to file an IND or commence a Phase 1 trial within three years. In November 2021, CRT agreed to extend the deadline for filing an IND or commencing a Phase 1 trial of AMP886 until 31 December 2023. Under the license agreement there is an annual maintenance fee of between US$15,000 and US$20,000 per annum. Additionally, under this agreement there are various milestone payments under the license agreement totalling US$50,000 for the commencement of a further Phase 1 clinical trial and US$150,000 for the allowance of the two IND's.

Upon commencement of the first Phase 2 trial of either AMP886 or AMP945, a milestone payment of US$250,000 is due to CRT. Further milestone payments would only become due and payable upon commencing additional Phase 2 and 3 studies, regulatory approvals and ultimately commercialisation.

Intellectual Property Royalties on the Use of MIS416 – Vendors

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

Collaborations

The Group has entered a collaborative arrangement with the Garvan Institute of Medical Research (Garvan) for work being done to develop FAK inhibitor AMP945 in combination with gemcitabine and nab-paclitaxel. Upon first dosing of a patient in an Amplia-sponsored clinical trial in pancreatic cancer a milestone payment of AU$100,000 is due to Garvan. Further milestone payments would only become due and payable upon commencing additional Phase 2 and 3 studies, regulatory approvals and ultimately commercialisation.

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 March 2022 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 Warwick Tong
Non-Executive Chairman

30 May 2022

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Independent Auditor's Report

To the Members of Amplia Therapeutics Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Amplia Therapeutics Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 31 March 2022 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Intangible Assets (Note 8)	
At 31 March 2022, the Group has intangible assets with a book value of $7,937,932 relating to AMP886 and AMP945 (the drug candidates). There is a risk that the recoverable value of these assets is lower than their current book value and therefore that impairment should be recognised. As intangible assets are not yet available for use, the drug candidates are monitored closely for any indicators of impairment and tested at least annually for impairment in accordance with AASB 136 *Impairment of Assets*. This area is a key audit matter due to the significant judgments involved in assessing the valuation of the assets and whether any impairment has occurred.	Our procedures included, amongst others: • Assessing the terms of the licences of the drug candidates to ensure amortisation is not required; • Obtaining management's calculation of recoverable value using the fair value less costs to sell method and assessing for appropriateness; • Evaluating management's assessment of the value of each drug candidate, ensuring the inputs and assumptions are appropriate at year end; and • Assessing disclosures in the financial statements for adequacy.
R&D Incentives (Note 5)	

The Group receives a 43.5% refundable tax offset of eligible expenditure under the Research and Development (R&D) Tax Incentive Scheme if its turnover is less than $20 million per annum, provided it is not controlled by income tax exempt entities.
 	
Management have performed a detailed review of the Group's total research and development expenditure to determine the potential claim under the R&D tax incentive legislation.
 	
The process in calculating the R&D tax rebate requires judgment and specialised knowledge in identifying eligible expenditure, which gives rise to anticipated R&D tax incentives. Balances in relation to R&D tax incentives are therefore considered a key audit matter.
	Our procedures included, amongst others:
	• Obtaining the AusIndustry approval letter to verify that the R&D incentive receivable can be recognised and to gain an understanding of the eligible R&D activities;
	• Comparing the estimates made in prior year to the amount of cash rebates received after lodgement of the R&D tax claim;
	• Obtaining the assessment completed by management's experts in relation to the R&D rebate calculation for the year ended 31 March 2022;
	• Evaluating the competence, capability and objectivity of management's expert;
	• Consulting our internal R&D tax specialist to review the expenditure methodology employed by management;
	• Obtaining R&D rebate calculations for year ended 31 March 2022 completed by management and performing the following audit procedures:
	  ○ Developing an understanding of the model, identifying and assessing key assumptions in the calculation;
	  ○ Testing the mathematical accuracy of the accrual;
	  ○ Testing a sample of claimed expenditure to source documentation and reviewing the source documentation to verify the expenses are eligible; and
	  ○ For labour costs included in the calculation, reviewing the percentage included for appropriateness.
	• Reviewing disclosures in the notes to the financial statements to ensure adequacy.

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 14 to 21 of the Directors' report for the year ended 31 March 2022.

In our opinion, the Remuneration Report of Amplia Therapeutics Limited, for the year ended 31 March 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 30 May 2022

Shareholder Information

as at 31 March 2022

The shareholder information set out below was applicable as at 2 May 2022.

(a) Number of ATX shareholders	**1,596**
(b) Total shares issued	**193,854,001**
(c) Percentage of total holdings by or on behalf on the 20 largest shareholders	**52.46%**
(d) Distribution schedule of fully paid ordinary shares	

Range	Holders	Units	% of Total Units
1-1,000	139	38,794	0.02%
1,001-5000	342	1,215,298	0.63%
5,001-10,000	276	2,140,423	1.10%
10,001-100,000	629	23,517,730	12.13%
100,001 and over	210	166,941,756	86.12%
Total	*1,596*	*193,854,001*	

Shareholder Information

as at 31 March 2022

Top 20 holders of ordinary fully paid shares

	Ordinary shares	
	Number held	% of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	36,671,897	18.92
BOND STREET CUSTODIANS LIMITED (LAM1 - D08047 A/C)	13,472,500	6.95
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,419,597	4.34
CITICORP NOMINEES PTY LIMITED	6,541,372	3.37
UBS NOMINEES PTY LTD	4,132,790	2.13
CTXT PTY LTD	3,940,579	2.03
BNP PARIBAS NOMS PTY LTD	3,769,149	1.94
ELK RIVER HOLDINGS PTY LTD	2,942,142	1.52
CHRISTOPHER JOHN BURNS	2,527,798	1.30
GP SECURITIES PTY LTD	2,412,500	1.24
WARWICK TONG	2,355,140	1.21
34TH AVENUE PTY LTD	2,215,237	1.14
MR ANDREW PODOLAK	1,925,000	0.99
MRS JANE CATHERINE JOCELYN BELL + MR GEOFFREY ARTHUR BELL (SCHOONER SUPER FUND A/C)	1,679,020	0.87
MR MARK SULLIVAN	1,661,428	0.86
J & J STUART PTY LTD	1,500,000	0.77
MR MICHAEL ANDREW WHITING + MRS TRACEY ANNE WHITING (WHITING FAMILY S/F A/C)	1,459,267	0.75
CANCER RESEARCH TECHNOLOGY LIMITED	1,360,524	0.70
RAVINNA PTY LTD (RAVINNA A/C)	1,359,435	0.70
MR ANTHONY HAMILTON MARTIN	1,350,000	0.70
	101,695,375	*52.43*

Other quoted securities

Options Expiring 31 December 2023 with Exercise Price of $0.28: 25,439,421.

Unquoted equity securities

Options Expiring various dates with various exercise prices: 12,570,688.

Shareholder Information

as at 31 March 2022

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
PLATINUM INVESTMENT MANAGEMENT LIMITED	34,813,002	17.96
BLUEFLAG HOLDINGS PTY LTD AS TRUSTEE FOR THE BLUEFLAG TRUST	13,472,500	6.95
ACORN CAPITAL LTD	10,071,620	5.20

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.


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