**ONCOLOGY RESEARCH INTERNATIONAL LIMITED**
**ABN: 34 067 964 621**
**AND IT'S CONTROLLED ENTITY**

# INTERIM FINANCIAL REPORT
# FOR THE HALF-YEAR ENDED

**31 DECEMBER 2018**

**ONCOLOGY RESEARCH INTERNATIONAL LIMITED**
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**ONCOLOGY RESEARCH INTERNATIONAL LIMITED**
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**DIRECTORS' REPORT**

Your Directors present this report on the company and its controlled entity for the half year ended 31 December 2018.

**DIRECTORS**

The names of each person who has been a Director during the half year and to the date of this report are:

Professor John Gordon McVie - MD, FRCP, FRCPS, FRCSE, FMedSci, DSc (Hon)
Dr Philip Andrew Marshall - BSc (Hons), PhD, FRACI, CChem MAICD
Dr Kenneth Michael Wayte - DC

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**REVIEW OF OPERATIONS**

**SUMMARY**

This Report covers the major activities of the company from July to December 2018: Science & Technology, Business Development and Operations.

With very limited financial resources over the last 12 months the company continued to explore a number of potential capital raising opportunities. Our executive team has continued on reduced remuneration while those fund raising efforts continue. The company cannot continue its technology research and development without adequate funding and securing funding remains the key priority of our company. The Board will keep shareholders updated on fund raising efforts.

Subject to funding the R&D strategy will continue to focus on the development of its novel first-in-class compounds such as ORIL019 for therapeutic use in the emergent field of immuno-oncology.

**1 SCIENCE & TECHNOLOGY**

Saponins have been known for some time to have anti-cancer activity. Many can be found in herbs and plants found in traditional Chinese and European medicines. Refer: Hostettmann & Marston, Chemistry & pharmacology of natural products: Saponins, Cambridge University Press (1995). Saponins are glycosides, consisting of a sugar moiety linked to a triterpene or steroid aglycone. ORIL has only investigated the saponin subset of steroid saponins.

ORIL's lead candidate for some years viz. ORIL007 is a natural product. There is a very large number of studies on file that support its safety and efficacy in various dosage forms (oral, injectable and topical). Difficulties of reproducible in vivo efficacy data, (largely due to its poor water-solubility), hindered its development. Based on the culmination of years of work and effort, ORIL has designed, synthesised and tested a number of novel molecules (i.e. new chemical entities) that overcome the "druggability" limitations of the naturally occurring compounds. The new compounds are best exemplified by ORIL019.

It is very likely that ORIL019 is metabolised to ORIL007 and thus ORIL007 serves as the platform on which ORIL019 technology is based.

A provisional patent application to protect these new agents was filed in February 2017 and the corresponding PCT was published in August 2018. To date no objections have been raised

**REVIEW OF OPERATIONS (continued)**

### 1.1 Immuno-therapy and immuno-oncology

The 2018 Nobel Prize in Physiology or Medicine was awarded to Dr Tasuku Honjo (Japan) and Dr James P. Allison (USA) for their for their "discovery of cancer therapy by inhibition of negative immune regulation"

https://www.nobelprize.org/prizes/medicine/2018/summary/

**Immunotherapy** is the treatment of disease by inducing, enhancing, or suppressing an immune response via checkpoints such PD-1 proteins, located in the cell membrane. An **immuno-oncology (I-O)** drug stimulates the body's own defence systems to action against the invading cancer.

**Checkpoint therapy has now revolutionized cancer treatment and has fundamentally changed the way we view how cancer can be managed.**

The ground-breaking work of Drs Allison and Honjo showed how different strategies for inhibiting the brakes on the immune system ("checkpoints" such as PD-1 inhibitors) can be used in the treatment of cancer patients and ***validates ORIL's strategy*** and its lead candidate drug that may be of equal significance.

But:

- ✗ While immuno-oncology drugs such as the checkpoint inhibitors can give spectacular results, they only work in 20% of patients; 80% of patients' hopes are dashed.
- ✗ There's no predictive no biomarker on which patients will respond.
- ✗ Resistance and side effects remain significant problems

Because not all tumour types respond solely to immuno-oncology (I-O) therapies experts are now looking to combination therapies that include an immuno-oncology drug.

There is clearly a **need** for an **extra drug in combination** with the **PD-1 inhibitors with a different target and a different mechanism without dampening the immune system**.

**The new ORIL molecules such as ORIL019 meet these needs i**n fact and supported by the data in that ORIL019:

- ✓ has a different target/receptor in the cancer cell membrane (a molecule which is also over-expressed in cancer)
- ✓ different mechanism to the PD-1 (pro-apoptosis)
- ✓ is potent in in its own right ($IC_{50}$ = 3-5 µM)
- ✓ stimulates rather than dampens the immune system
- ✓ doubles the tumour reduction when used with PD-1 inhibitor (colon cancer mouse model)
- ✓ safe and well tolerated (rodent) when administered in both oral and injectable forms
- ✓ water-soluble so easy to formulate as oral or IV dosage form
- ✓ PK suggests once per day admin.

It is expected that combinations will be crucial in extending immuno-oncology beyond a few cancers, and beyond certain patient subgroups.

Combining numerous new and old approaches with new agents is logical given that these antibodies are becoming standard treatment in certain populations within certain tumour types.

**REVIEW OF OPERATIONS (continued)**

### 1.2 Next Steps in Development

While promising, the anti-PD-1/ORIL019 combination study described previously is a proof-of-concept study that used only one dosing frequency and one dose level of ORIL019 administered either intravenously (i.v.) or orally (p.o.). Further information regarding the pharmacokinetics (PK), pharmacodynamics (PD) and biodistribution (BD) of ORIL019 is required in order to further optimize the dose level and treatment regime. It is important to note the best results were obtained when ORIL019 was administered orally.

Subject to funding it is planned to further develop and complete the necessary pre-clinical studies for ORIL019 to be IND-ready.

ORIL is closer to an IND than is perhaps is apparent, having already done most of the hard work in the discovery phase.
The key experimental pre-clinical program to reach IND-ready falls into three key areas:

1. PK/ADME (oral and i.v.). The initial key experiment is to establish the metabolic relationship between ORIL019 and ORIL007.
2. Safety and toxicology
3. PK/PD & pharmacology to establish starting dose for Phase I

## 2 IP PORTFOLIO

The following table provides an update of the status of the ORIL family of patents and key assets. During 2017-18 the ORIL Directors took the decision to discontinue some of the patent families and some in minor jurisdictions - for commercial reasons only.

The table below therefore only shows the status of the active patent families.

| Title (Family) | Patent Application No. | Status |
|---|---|---|
| Methods and compositions for promoting activity of anti-cancer therapies | PCT/AU2007/001091 | Granted in Australia, USA, India, Canada, China, Europe, Eurasia, Mexico, Taiwan and Japan |
| Improved synthesis of a class of steroid saponins | PCT/AU2013/000416 | National Phase Entry November 2014. Granted in Australia, China, Taiwan, Europe, Eurasia. Pending in USA, India, Canada |
| Novel Chemical Entities | 2017900427 | PCT published August 2018 |

The research program is balanced with ORIL's strategy of creating value by protecting its intellectual property through patents where the scientific, commercial and legal support for such protection are soundly based. The technology remains 100% owned by the Company and available for out-licence.

**REVIEW OF OPERATIONS (continued)**

## 3 OPERATIONS

The Board of Directors resolved in June 2016 to operate at no fees for the 2016-17 financial year and until ORIL has sufficient funds. This continued for the 2017-18 financial year and through to December 2018.

Furthermore and since July 1st, 2016 the executive team continued the company activities on a monthly basis at substantially reduced fees in order to maximize the company's opportunities. From September 2017 the invoices for the CEO's fees are accrued until sufficient funds are available for payment. In the event that sufficient funds are not raised/available by ORIL to pay any deferred payments the CEO has agreed to not make any claim against the company (ORIL) in respect to deferred invoices.

The company requires AUD 2.0 million in immediate funding for its ongoing operations while it seeks further investment. This will enable ORIL to build value of its assets through further development of the technology, and the lead candidate ORIL019 towards the clinic.

## 4 BUSINESS *DEVELOPMENT*

### 4.1 Strategy

It remains the intention of the company to fully explore and develop its assets to their full potential.
The company is seeking a capital investment of AUD 5.0 million to complete the R&D, pre-clinical and regulatory program requisite for an IND submission for its lead candidate ORIL019 to be IND-ready in 18 months, that is be ready to commence first-in-human clinical studies (Phase I/IB studies). A detailed budget has been prepared for the deployment of funds.

Phase I/IB studies require a further AUD 5.0 MM and will take around 12 months to complete. Phase II studies require a further AUD 10 MM and are expected to take 18 months to complete.

The company is pursuing the following options to maximize the value of the company and a future return to shareholders:

- Licensing and partnering with mid and big - pharma companies:
  - Individual indications
  - Individual geographies
- Investment via venture capital, high net worth individuals and other investment entities
- IPO to finance the late stage development allowing shareholders to exit on market, at their discretion, as ORIL equity will be freely tradeable post listing.

### 4.2 Recent Deals in Oncology

Most deals are done at the pre-clinical or clinical Phase I stage and small molecules still attract the vast majority of deals in oncology, albeit the market is fiercely competitive. ORIL019 is at the pre-clinical stage having developed a drug with strong proof-of-concept data.

**REVIEW OF OPERATIONS (continued)**

**Key points**

Recent oncology deals are summarised in the following paragraphs. (

**Reference:** http://www.evaluate.com/vantage/articles/data-insights/other-data/oncology-continues-reign-licensing-world-0 )

- $ value of deals is being stoked by the search for products to use in combination with other drugs, as companies seek to extend the utility of individual products or mechanisms of action, to overcome issues of tumour resistance.
- Additionally, as pharma companies continue to eschew M&A in favour of licensing, competition for novel oncology assets is increasing, further bumping up valuations and accelerating the number of deals done at early, but cheaper stages of development
- Between 2010 and the first half of 2018 almost $18bn was spent on up-front payments for cancer treatments
- Combined upfront value of oncology deals in first half of 2018 was $4.15 billion.
- There also appears to be no sign of the number of oncology deals slacking off, with 22 agreements already struck in the first six months of 2018, with up-front payments totalling $1.82bn. Given that the second half of the year is usually stronger than the first, 2018 could equal or exceed the $4.15bn 2017 total

https://www.iam-media.com/market-developments/oncology-drives-major-pharma-deals-while-immuno-oncology-patent-activity

- *Immunotherapy has become the major driver behind deal making in the pharmaceutical industry with 32 of the 35 multi-billion deals in the last five years being focused on immuno-oncology.*
- *The most promising drugs are what are called checkpoint inhibitors, antibodies to PD1, its ligand PDL1, and CTLA4, that can either turn on immune cells (CTLA4) or prevent them from being turned off (PD1 and PDL1)*
- *The 2017 deal between AstraZeneca and Merck & Co in the area of PD1/PD-L1 small molecule combinations is the largest recorded within the past five years, but there are an additional 34 deals in this time period with a total value in excess of $1 billion. Of these 35 deals, 32 are focused on immuno-oncology.*

https://biopharmadealmakers.nature.com/users/9880-biopharma-dealmakers/posts/30794-trends-in-oncology-dealmaking (March 2018)

- A review of oncology deal making from 2013 to 2017 shows a steep rise in activity during the first three years of this period. One important contributor to this increase could be the approval of the first two PD1–PDL1 checkpoint inhibitors—Merck & Co.'s Keytruda (pembrolizumab) and Bristol-Myers Squibb's Opdivo (nivolumab)—in the second half of 2014, which accelerated a wave of deal making, not only around other checkpoint inhibitors, but also for molecules and technologies that could offer synergistic benefits when used in combination with these drugs.
- In the past five years there were 35 deals with a total value in excess of $1 billion. Of these 35 deals, 32 were focused on immuno-oncology, and many involve emerging platforms.

**REVIEW OF OPERATIONS (continued)**

- In terms of the distribution of licensing deals by phase of development of the lead asset at the time of deal-signing, 58% of deals were signed at the discovery stage. Nonetheless, they still had a significant total value, with a median total value for discovery deals of $200 million over the five-year period analysed (of which the median upfront payment was $17 million).

## 5 THE NEXT FEW MONTHS.....

Ongoing operations are entirely dependent on additional funding. All possible strategies for fund raising opportunity are being explored by the ORIL executive group.

Subject to funding the R&D efforts will continue to concentrate on the development of the new compounds such as ORIL019 in immuno-oncology.

The Directors are hopeful of attracting investment interest but there is no guarantee and the Directors make no forecast. Our efforts over the past 24 months through a number of international sources for funding such as venture capital, investment groups, licence or partnering have not yet been successful.

Following the AGM in November 2018, the Board considered the company's future in December 2018. In view of the positive feedback and encouraging investment leads, the Board has decided to continue operating at the minimum level, at least until the outcome of the more promising investment opportunities became clear.

The company continues to monitor the company's financial situation closely and will keep shareholders updated.

**EVENTS SUBSEQUENT TO REPORT DATE**

No matters or circumstances have arisen since the end of the period which significantly affect or may significantly affect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in subsequent financial years.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2011 is included on the following page of this financial report and forms part of this Directors' report.

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

**P A MARSHALL**
**DIRECTOR**

**K M WAYTE**
**DIRECTOR**

Dated this 27th day of March 2019

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# Auditor's Independence Declaration

## To the Directors of Oncology Research International Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Oncology Research International Limited for the half-year ended 31 December 2018, 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 review; and

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

Grant Thornton Audit Pty Ltd
CHARTERED ACCOUNTANTS

M J Hillgrove
Partner – Audit & Assurance

Perth 27 March 2019

**ONCOLOGY RESEARCH INTERNATIONAL LIMITED**
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## CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2018

| | NOTE | Consolidated Group | |
|---|---|---|---|
| | | 31 December 2018 | 31 December 2017 |
| | | $ | $ |
| Other Income | 2 | 1,266 | 477 |
| Depreciation expense | | (238) | (286) |
| Accountancy | | (22,000) | (46,950) |
| Audit fees | | (5,500) | (7,500) |
| Consultancy fees | | - | (45,070) |
| Interest expense | | - | (3) |
| Patents | | (23,704) | (38,179) |
| Research & development | 3 | - | (20,656) |
| Secretarial fees | | (350) | (3,900) |
| Travel and accommodation | | (9,315) | (7,829) |
| Other expenses | | (8,081) | (9,588) |
| **Profit/(Loss) before income tax** | | **(67,922)** | **(179,484)** |
| Income tax expense | | - | - |
| **Profit/(Loss) for the half year period** | | **(67,922)** | **(179,484)** |
| Other comprehensive income for the period | | **-** | **-** |
| Total comprehensive profit/(loss), net of tax, attributable to the owners of the parent entity | | (67,922) | (179,484) |

The accompanying notes form part of these financial statements.

**ONCOLOGY RESEARCH INTERNATIONAL LIMITED**
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## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2018

| | NOTE | Consolidated Group | |
|---|---|---|---|
| | | 31 December 2018 $ | 30 June 2018 $ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 38,371 | 32,988 |
| Trade and other receivables | 5 | 3,284 | 30,825 |
| Other current assets | 6 | 2,343 | 5,490 |
| TOTAL CURRENT ASSETS | | 43,998 | 69,303 |
| NON-CURRENT ASSETS | | | |
| Property, plant & equipment | 7 | 695 | 933 |
| TOTAL NON-CURRENT ASSETS | | 695 | 933 |
| **TOTAL ASSETS** | | **44,693** | **70,236** |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 15,516 | 23,137 |
| TOTAL CURRENT LIABILITIES | | 15,516 | 23,137 |
| **TOTAL LIABILITIES** | | **15,516** | **23,137** |
| **NET ASSETS** | | **29,177** | **47,099** |
| EQUITY | | | |
| Share capital | 9 | 17,427,763 | 17,377,763 |
| Reserves | | 237,540 | 237,540 |
| Accumulated losses | | (17,636,126) | (17,568,204) |
| **TOTAL EQUITY** | | **29,177** | **47,099** |

The accompanying notes form part of these financial statements.

**ONCOLOGY RESEARCH INTERNATIONAL LIMITED**
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**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**
**FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

| Consolidated group | Contributed Equity $ | Accumulated Losses $ | Reserves $ | Total $ |
|---|---|---|---|---|
| **Balance at 1 July 2018** | 17,377,763 | (17,568,204) | 237,540 | 47,099 |
| **Loss for the half year** | - | (67,922) | - | (67,922) |
| **Transactions with owners** | | | | |
| Issue of share capital, net of issue costs | 50,000 | - | - | 50,000 |
| **Balance at 31 December 2018** | 17,427,763 | (17,636,126) | 237,540 | 29,177 |

| Consolidated group | Contributed Equity $ | Accumulated Losses $ | Reserves $ | Total $ |
|---|---|---|---|---|
| **Balance at 1 July 2017** | 17,327,763 | (17,336,791) | 237,540 | 228,512 |
| **Profit for the half year** | - | (179,484) | - | (179,484) |
| **Balance at 31 December 2017** | 17,327,763 | (17,516,275) | 237,540 | 49,028 |

The accompanying notes form part of these financial statements.

**ONCOLOGY RESEARCH INTERNATIONAL LIMITED**
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**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**
**FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

| | NOTE | Consolidated Group | |
|---|---|---|---|
| | | 31 December 2018 $ | 31 December 2017 $ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Interest received | | 23 | 492 |
| Goods & Services tax refund | | 4,140 | 24,767 |
| Research & Development Tax Offset Refund | | 28,960 | 169,185 |
| Payments to suppliers | | (77,740) | (232,427) |
| **Net cash used in operating activities** | 11 | **(44,617)** | **(37,983)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of share capital | | 50,000 | - |
| **Net cash provided by financing activities** | | **50,000** | **-** |
| Net increase/(decrease) in cash held | | 5,383 | (37,983) |
| Cash at the beginning of the half year | | 32,988 | 106,638 |
| **Cash at the end of the financial year** | 4 | 38,371 | 68,655 |

The accompanying notes form part of these financial statements.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

The interim financial report is a general purpose financial report for the half-year reporting period ended 31 December 2018 that has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual statements for the year ended 30 June 2018 and any public announcements made by Oncology Research International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The interim financial report has been approved and authorised for issue by the Board of Directors on 27 March 2019.

The accounting policies adopted are consistent with those of the previous financial year. In the half year ended 31 December 2018, the Group has reviewed all of the new and revised Standards and Interpretations by the AASB that are relevant to its operations and effective for the annual reporting periods beginning on or after 1 January 2018.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2018.

### Going Concern

The interim financial report has been prepared on a going concern basis which the Directors believe to be appropriate. The Directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

For the period ended 31 December 2018, the Group earned a loss before tax of $67,922 (31 December 2017: $179,484). For the period ended at 31 December 2018, the Group incurred net operating cash outflows of $44,617 (31 December 2017: $37,983).

The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments.

The company requires AUD 2.0 million in immediate funding for its ongoing operations while it seeks further investment. This will enable ORIL to build value of its assets through further development of the technology, and the lead candidate ORIL019 towards the clinic. Should this Fund raising not be successful, the Directors continue to be focused on meeting the Group's business objectives and are mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- There are no fixed contracts in place,
- There are no expenditure commitments,
- Expenditure of the Group is entirely discretionary, and
- The underlying prospects for the Group to raise funds.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Going Concern (continued)

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

### Adoption of New and Revised Australian Accounting Standards

In the half-year ended 31 December 2018, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financials assets and introduces an 'expected credit loss' model for impairment of financial assets.

The new standard has been applied as at 1 July 2018 with no effect on initial application. The adoption of AASB 9 and not yet affected any of the Group's transactions and balances recognized in the financial statements for the period.

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related interpretations. The new Standard has been applied as at 1 July 2018 with no effect of initial application and thus no required adjustment to the opening balance of retained earnings at 1 July 2018. The adoption of AASB 15 has not affected any of the Group's revenue recognition areas.

AASB 16 Leases requires all leases, other than short term and low value asset leases to be accounted "on balance sheet". When this standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore no change is necessary to the Group's accounting policies.

| | | Consolidated Group | |
|---|---|---|---|
| | | **31 December 2018** | **31 December 2017** |
| | | **$** | **$** |
| **2.** | **OTHER INCOME** | | |
| | Operating activities | | |
| | - Interest received | 36 | 477 |
| | - Research & Development Tax Offset Refund | 1,230 | - |
| | **Total Revenue** | **1,266** | **477** |
| **3.** | **PROFIT (LOSS) FOR THE YEAR** | | |
| | Expenses | | |
| | - Research & development costs | - | 20,656 |

| | | **31 December 2018** | **30 June 2018** |
|---|---|---|---|
| | | **$** | **$** |
| **4.** | **CASH AND CASH EQUIVALENTS** | | |
| | Cash at bank and in hand | 38,371 | 32,988 |
| **5.** | **TRADE AND OTHER RECEIVABLES** | | |
| | **Current** | | |
| | Other receivables | 17 | 4 |
| | Goods & Services Tax Receivable | 3,267 | 3,091 |
| | Research & Development Tax Offset Receivable | - | 27,730 |
| | | **3,284** | **30,825** |
| **6.** | **OTHER CURRENT ASSETS** | | |
| | **Current** | | |
| | Prepayments | 2,343 | 5,490 |
| **7.** | **PROPERTY, PLANT & EQUIPMENT** | | |
| | Plant & equipment, at cost | 14,513 | 14,513 |
| | Accumulated depreciation | (13,818) | (13,580) |
| | | **695** | **933** |

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the period.

**Plant and Equipment**

| | | |
|---|---|---|
| Balance at beginning of period | 933 | 1,471 |
| Depreciation Expense | (238) | (538) |
| **Carrying amount at the end of the period** | **695** | **933** |

| | | Consolidated Group | |
|---|---|---|---|
| | | **31 December 2018** | **30 June 2018** |
| | | **$** | **$** |
| **8.** | **TRADE AND OTHER PAYABLES** | | |
| | **Current** | | |
| | Trade Payables | 15,516 | 23,137 |
| **9.** | **SHARE CAPITAL** | | |
| | 43,945,749 (30 June 2018: 43,845,749) | | |
| | Fully paid ordinary shares | 17,427,763 | 17,377,763 |
| | **Ordinary shares** | **No.** | **No.** |
| | At the beginning of the reporting period | 43,845,749 | 43,345,749 |
| | Shares issued during the year | 100,000 | 500,000 |
| | **At reporting date** | **43,945,749** | **43,845,749** |

**Options**

At balance date, no share options existed which if exercised would result in the issue of fully paid ordinary shares.

No share options were issued to key management personnel during the period.

## 10. RELATED PARTY TRANSACTIONS

### Compensation Practices

The totals of remuneration paid to the key management personnel of the Group during the period are as follows:

| | Consolidated Group | |
|---|---|---|
| | 31 December 2018 $ | 30 June 2018 $ |
| Cash fees[1] | - | 19,800 |

**Note 1**

No cash fees were paid during the period (30 June 2018 $19,800.) The cash fees paid in the year ended 30 June 2018 are consulting fees paid to companies associated with key management personnel for the services provided by key management personnel to the Group. No directors fees were paid during the period (30 June 2018: nil.)

### Other transactions with key management personnel

Key management personnel and their associated entities were reimbursed for expenditure incurred in respect of the consolidated group totalling $10,403 excluding GST (30 June 2018: $9,599 excluding GST).
The amount owed by the consolidated group in respect to reimbursements due at 31 December 2018 to key management personnel and their associated entities was $ 2,377 excluding GST (30 June 2018: $43 excluding GST).

## 11. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

Details of the reconciliation of cash flows used in operating activities are as follows:

| | Consolidated Group | |
|---|---|---|
| | 31 December 2018 $ | 31 December 2017 $ |
| **Cash flows used in operating activities** | | |
| Profit/(Loss) for the period | (67,922) | (179,484) |
| Adjustment for depreciation | 238 | 286 |
| Change in trade and other receivables | 27,541 | 179,093 |
| Change in other current assets | 3,147 | 3,010 |
| Change in trade and other payables | (7,621) | (40,888) |
| **Net cash used in operating activities** | **(44,617)** | **(37,983)** |

## 12. SEGMENT INFORMATION

The consolidated group operates predominantly in the medical research industry within Australia.

## 13. CONTINGENT LIABILITIES

During the reporting period Pharmchem Technical Services Pty Ltd (a Director related entity) provided consultancy services to the company.

No provision has been made in these financial statements for the amount of $151,910 (GST inclusive) in relation to the services provided by Pharmchem Technical Services Pty Ltd as no amount is payable unless the company raises sufficient funding subsequent to report date. If no funding is raised by the company, Pharmchem Technical Services has agreed that no claim will be made against the company.

## 14. EVENTS SUBSEQUENT TO REPORT DATE

No matters or circumstances have arisen since the end of the period which significantly affect or may significantly affect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in subsequent financial years.

**ONCOLOGY RESEARCH INTERNATIONAL LIMITED**
**ABN 34 067 964 621**
**AND IT'S CONTROLLED ENTITY**

## DIRECTORS' DECLARATION

In the opinion of the directors of Oncology Research International Limited:

1. the consolidated half year financial statements and notes, as set out on pages 8 to 17 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of its financial position as at 31 December 2018 and of its performance for the half year ended on that date; and

   (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting;* and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Director _____
P A Marshall

Director _____
K M Wayte

Dated this 27th day of March 2019

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# Independent Auditor's Review Report

## To the Members of Oncology Research International Limited

### Report on the review of the half year financial report

**Conclusion**

We have reviewed the accompanying half year financial report of Oncology Research International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated interim statement of financial position as at 31 December 2018, and the consolidated interim statement of profit or loss and other comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Oncology Research International Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $67,922 during the half year ended 31 December 2018 and, as of that date, the Group incurred net operating cash outflows of $44,617. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibility for the half year financial report

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

## Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Oncology Research International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd
CHARTERED ACCOUNTANTS

M J Hillgrove
Partner – Audit & Assurance

Perth 27 March 2019