Exopharm Limited (ASX:EX1)

ABN: 78 163 765 991

APPENDIX 4E – Preliminary final report for year ended 30 June 2020

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1. Details of reporting periods:

Current reporting period : Year ended 30 June 2020

Previous corresponding period : Year ended 30 June 2019

2. Results for announcement to the market:

	Year ended 30 June 2020 $	Year ended 30 June 2019 $	$ Change	% Change
Revenues (ordinary activities)*	**60,580**	**28,789**	**31,791**	**110.4%**
Loss after tax (ordinary activities)	**(5,278,803)**	**(2,282,874)**	**(2,995,929)**	**-131.2%**
Loss after tax attributable to members.	**(5,278,803)**	**(2,282,874)**	**(2,995,929)**	**-131.2%**

* Does not include ATO income

The Company does not intend to declare a dividend for the period.

Commentary on the above figures is included in the attached Annual Financial Report for the year ended 30 June 2020.

3. Statement of comprehensive income

Refer to attached Annual Financial Report for the year ended 30 June 2020.

4. Statement of financial position

Refer to attached Annual Financial Report for the year ended 30 June 2020.

5. Statement of cash flows

Refer to attached Annual Financial Report for the year ended 30 June 2020.

6. Statement of changes in equity

Refer to attached Annual Financial Report for the year ended 30 June 2020.

7. Dividend payments

Not Applicable. Refer to attached Annual Financial Report for the year ended 30 June 2020.

8. Dividend reinvestment plans

Not applicable. Refer to attached Annual Financial Report for the year ended 30 June 2020.

9. Net tangible assets per security

	30 June 2020 $	30 June 2019 $
Net tangible assets (Liabilities) per ordinary security	**$0.039**	**$0.11**

10. Gain or loss of control over entities

Not applicable.

11. Associates and joint ventures

Not applicable.

12. Other significant information

Not applicable.

13. Foreign entities

Not applicable.

14. Commentary on results for the year

Refer to attached Annual Financial Report for the year ended 30 June 2020, and in particular the "Review of Operations" which includes a review of operating results and financial conditions within the Directors' Report.

15. Status of audit

The Financial Report for the year ended 30 June 2020 has been audit reviewed and is not subject to dispute or qualification.

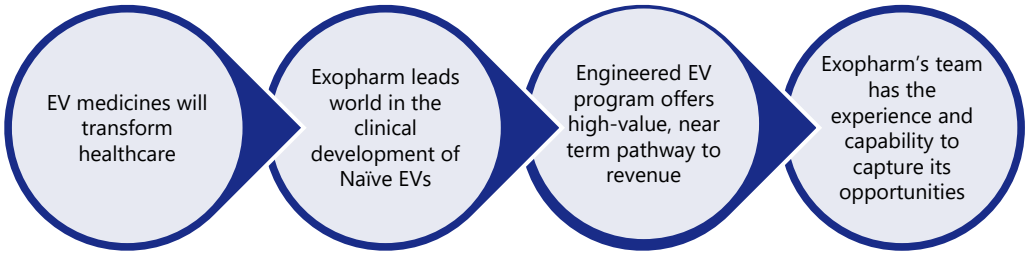
Exopharm Limited

ACN 163 765 991

Annual Report

30 June 2020

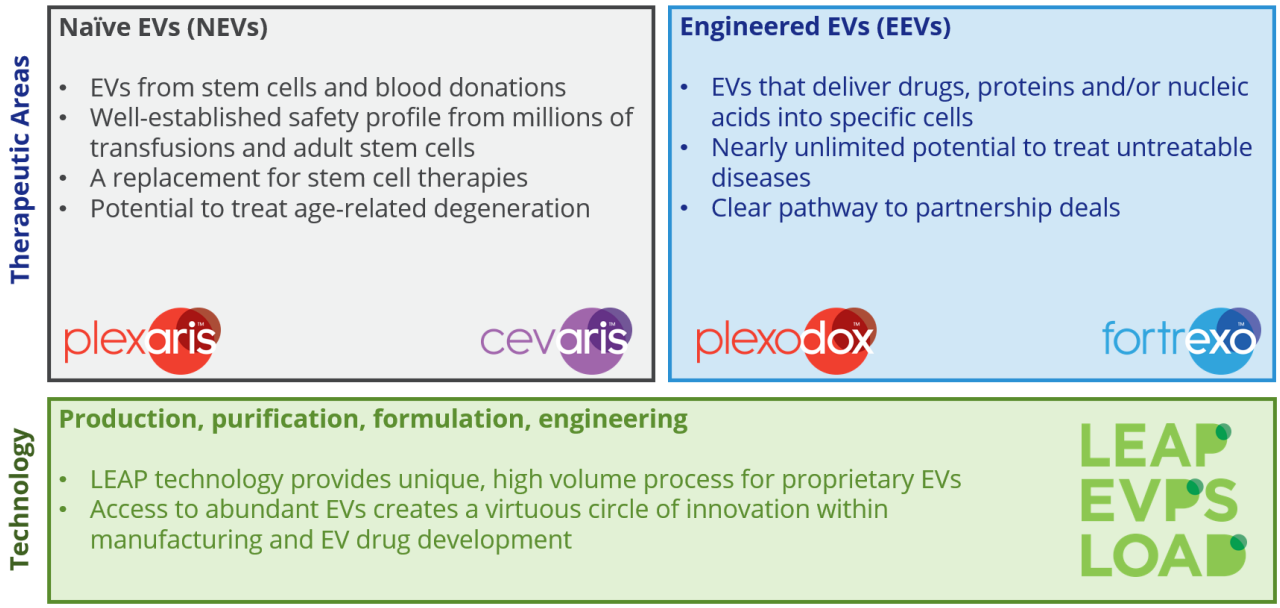
Exopharm snapshot



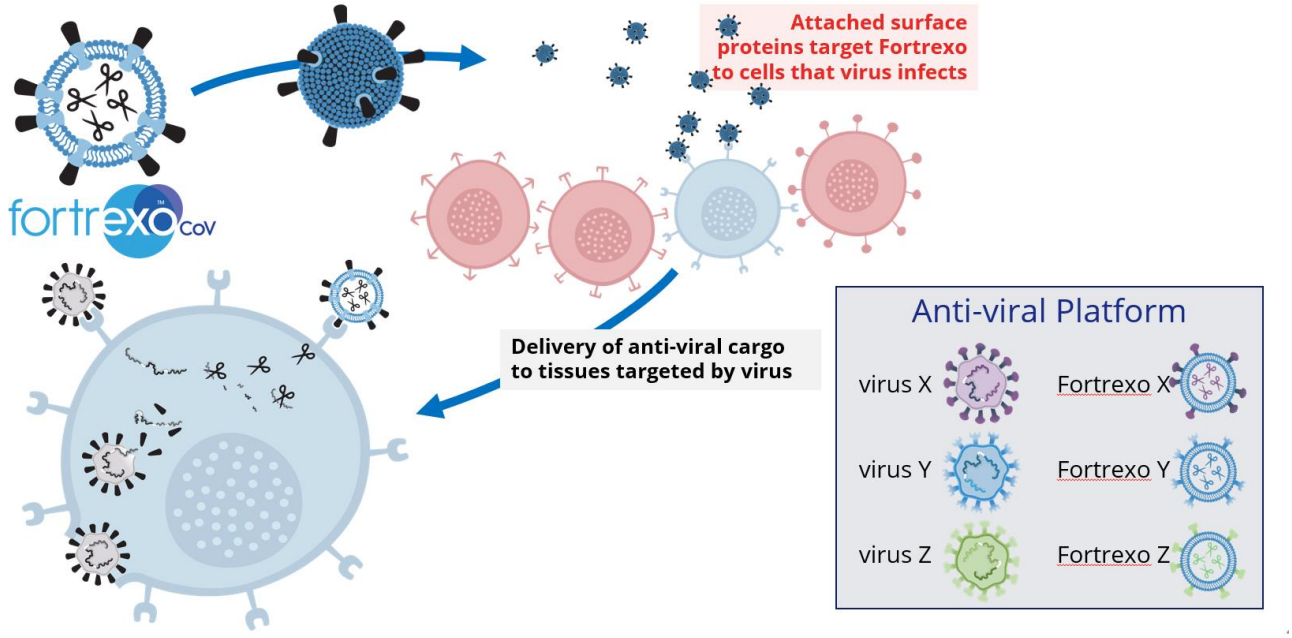
Exopharm is a global leader in development of exosome-based medicines.

- Exopharm is the first company able to mass produce proprietary exosomes/extracellular vesicles (EVs) at quality standards sufficient for human clinical trials
- Interest in exosome technology is accelerating globally, with researchers and stem cell companies pivoting to repurpose their assets toward EV production. Large deals are being announced for EV development projects
- Exopharm's proprietary purification process for EVs (LEAP) remains unique, with no apparent comparable technology for delivering clinical-grade EVs economically at scale
- Newly in-licensed IP for engineering EVs (LOAD™ and EVPS™) position Exopharm as one of the select few worldwide
- Exopharm has clinical trials underway with Naïve EVs from platelets and eventually adult stem cells (MSCs)
- Exopharm's investment proposition: early & leading position in the promising new field of EV medicine with clear pathways to revenue and non-dilutive funding of clinical asset creation
- Listed on ASX Dec '18. Employee numbers now exceed 25
- Exopharm's business plan: prove EV manufacturing leadership, develop prototype products for licensing partners and create high-value clinical NEV assets

Exopharm's technology enables EVs to solve a range of medical problems in regenerative medicine and precision medicine fields.



Exopharm's Fortrexo EEVs serve as a platform for potential anti-viral applications from SARS-Cov-2 to Dengue or RSV.



CORPORATE INFORMATION

ACN 163 765 991

Directors
Mr Jason M Watson
Dr Ian E Dixon
Mr David R Parker

Company Secretary
Ms Sinead Teague

Registered Office
C/o Haines Muir Hill Pty Ltd
Level 1, 888 Doncaster Road
DONCASTER EAST VIC 3109

Principal Place of Business
Level 17, 31 Queen Street,
MELBOURNE VIC 3000
Telephone: (03) 9111 0026
Email: info@exopharm.com

Auditors
William Buck
Level 20, 181 William Street
MELBOURNE VIC 3000

Solicitors
Quinert Rodda & Associates
Level 6, 400 Collins Street,
MELBOURNE VIC 3000

Share Register
Automic Registry Services Pty Ltd
Level 5, 126 Phillip Street
SYDNEY NSW 2000
Telephone: 1300 288 664
Email: hello@automic.com.au

Letter from Board Chair and CEO

Dear Shareholder,

Exopharm was formed in late 2013 and listed on the ASX in December 2018 with a 'big idea' – that exosomes could replace stem cells and become a new class of medicine.

That forward thinking has been validated over the past 24 months.

The field of extracellular vesicles (EVs), including exosomes, has seen multiple large (>$1b) overseas partnership deals – highlighting the growing interest in using EVs as a new form of medicine.

With our LEAP manufacturing technology at its core, Exopharm is still the only pure-play EV company listed on the ASX, and we have been working hard to build value across the business. Our team has grown to 26 people with strategic additions being made, including key management, within the past year. Importantly, we have also consolidated our research and manufacturing facility at our new laboratory in the Alfred precinct in Melbourne.

Exopharm's operational activities are managed under two main interactive groupings – Commercial (Business Development and Licensing) and Development (Manufacturing and Products). Our activities are all directed at attracting partnerships with larger biopharmaceutical companies and associated financial transactions to benefit shareholders. We are investing time and resources selectively; there are many things we could do that we chose not to in order to maintain focus. At the core, our team is doing three things: making EVs, testing EVs and communicating our results.

Over the past 12 months our story and communications have changed in a number of ways, reflecting the important and valuable opportunities in front of us and what we know potential partners are interested in.

Firstly, we mostly refer to the products as 'EVs' rather than 'exosomes.' This aligns with the way we seek to communicate with industry.

Secondly, we now have programs in the naïve EV (NEV) and engineered EV (EEV) fields. This fits with the commercial activity in the EV field, which has been in the EEV area, and also the power of our proprietary LEAP manufacturing process for both NEV and EEV products. (*NEVs are EVs naturally produced by cells while EEVs are EVs 'engineered' in one or more ways to have well-defined actions*)

Over the past 12 months we have made announcements about some of our developments and innovations in the EEV field, including our Plexodox and Fortrexo CoV-2 products. We also now have two additional and exclusive technologies for engineering EVs – LOAD and EVPS. With LOAD we can load precision medicines into EVs, and with EVPS we can direct EVs to selected cell types.

Whether it is NEVs or EEVs, we and others see EVs as a new form of medicines that will transform healthcare. In simple terms, NEVs are likely to have large potential as replacements to stem cell medicines as regenerative medicines, whereas EEVs are being developed as better ways to deliver precision medicines to patients in areas such as genetic disease, neurodegeneration and cancer.

Over the past 12 months we have achieved a lot:

- Building of our commercial and business development team headed by Dr Chris Baldwin, who joined us in November 2019 as Chief Commercial Officer
- First dosing with autologous Plexaris product in the PLEXOVAL study (further dosing now on hold due to COVID-19 restrictions)
- Initiation of coverage by MST Access and the first report released to the investment community in July 2020
- Submission of application to start allogeneic study PLEXOVAL II (using Plexaris) in H2 CY '20
- Establishment of our laboratory in the Baker Institute, and full operations maintained during COVID-19 restrictions under Chief Operating Officer Dr Gregor Lichtfuss
- In-licensing of LOAD and EVPS technologies, headed up by Dr Lieven Huang our Head of Business Development & Licensing
- Participation in BIO 2020 and other business partnering meetings
- Further advancements in our manufacturing, analytics and innovation areas
- Patent application lodged for Fortexo CoV-2 product

In the months to come, you can expect to see more newsflow and milestones being achieved.

Over the past 24 months we have built a strong international network that surrounds Exopharm and adds to our capabilities. We are indeed fortunate to have supportive shareholders, clinical partners, research collaborators, consultants and service providers.

Success in biotechnology is a team endeavour and an endurance event. Our special thanks to each and every one of our dedicated and valued team members – they are helping us build an important Australian-based business with medicines that can transform healthcare internationally and values that we can be proud of.

Yours Faithfully,

Mr Jason Watson
Chairman

Dr Ian Dixon
CEO & Managing Director

DIRECTORS' REPORT

Your directors submit the annual financial report of Exopharm Limited for the financial year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

Directors

The names of directors and officers who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Jason M Watson	Non-Executive Chairman
Dr Ian E Dixon	Managing Director
Mr David R Parker	Non-Executive Director

Mr David R Parker was also the Company Secretary during the year until 15 June 2020, with Ms Sinead Teague appointed as Company Secretary on 15 June 2020.

Names, qualifications, experience and special responsibilities

Mr Jason Watson - Non-Executive Chairman

LLB, B. Comm

Mr Watson has board and advisory experience acting with small and medium-sized enterprises, research institutes and listed companies in the life sciences and other sectors.

In particular, Mr Watson has assisted companies in developing, commercialising and transacting technologies through significant biotechnology licensing deals.

Mr Watson is principal of Elementary Law, a legal practice based in Melbourne, Australia. His practice focuses on assisting clients achieve the best outcomes for their patents and innovations, including through corporate fund raising, protection strategies, licensing and commercialisation.

In this capacity, Mr Watson has been recognised in the Intellectual Asset Magazine Patent 1000 independent list of The World's 1000 Leading Patent Professionals.

Mr Watson has expertise in relation to complex transactions, including establishing multi-party engagements, research and consultancy contracts and negotiating and implementing clinical trial, licensing, assignment, manufacturing, shareholding and other commercial arrangements.

Mr Watson has a Bachelor of Laws with Honours and a Bachelor of Commerce.

Dr Ian Dixon -Founder and Managing Director

PhD, MBA, MAICD

Dr Dixon has a PhD in biomedical engineering from Monash University, an MBA from Swinburne University and professional engineering qualifications.

In 2011, Dr Dixon Co-Founded Cynata Inc, a company that is progressing the commercialisation of what has become the Cymerus technology of ASX-listed Cynata Therapeutics Ltd (ASX-CYP).

Dr Dixon is a co-inventor of the LEAP Technology owned by Exopharm.

Dr Dixon brings to the Board an extensive technical and entrepreneurial background in founding, building and running technology-based companies, in recognising the potential commercial value of early-stage drug development, and in understanding the challenges involved in drug development.

Dr Dixon is also a Non-Executive Director of Noxopharm Ltd (ASX-NOX), a founder of Nyrada Inc. and a co-inventor of Nyrada drug NYX-330.

During the last three years, Dr Dixon has served as a director of the following listed companies: Medigard Ltd (ASX:MGZ); Noxopharm Ltd: ASX:NOX)

Mr David R Parker - Non-Executive Director

B.Comm, SAFin

Mr Parker has over sixteen years' experience as a corporate advisor and investment manager. He has served as a director or company secretary of a number of ASX-listed companies, having taken several companies from private companies to listed entities. Mr Parker is an employee of Alto Capital, a stockbroking and corporate advisory firm which is licensed to provide financial advice to retail and wholesale investors. Mr Parker is the Sole Director of Cobblestones Corporate Pty Ltd that provides company secretarial services.

Mr Parker is a Senior Associate (and member since 2001) of the Financial Services Institute of Australasia (FINSIA).

Mr Parker has a Bachelor of Commerce from Curtin University and has completed a Graduate Diploma of Applied Corporate Governance from the Governance Institute.

During the last three years, Mr Parker was a non-executive director and company secretary of Aurora Labs Ltd (ASX:A3D).

Ms Sinead Teague - Company Secretary

LLB Hons, MSc

Ms Teague is an associate member of the Governance Institute of Australia.

Ms Teague is a Chartered Company Secretary with over ten years' experience in Australia, Ireland and the UK, having qualified through the Institute of Chartered Secretaries and Administrators. Ms Teague holds a MSc in Management and Corporate Governance and an LLB Hons in Law with Government from the University of Ulster.

Ms Teague is currently Company Secretary for a number of ASX listed and unlisted public and private companies covering a broad range of industries including mining and exploration, technology, financial services, biotech and food services.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report:

Directors	Number of options over ordinary shares	Number of fully paid ordinary shares
Mr Jason Watson	-	290,000
Dr Ian Dixon	-	27,975,294
Mr David Parker	-	1,092,200
Totals	**-**	**29,337,494**

As at the date of this report, the Company had 95,472,000 fully paid ordinary shares and no options on issue.

REVIEW OF OPERATIONS

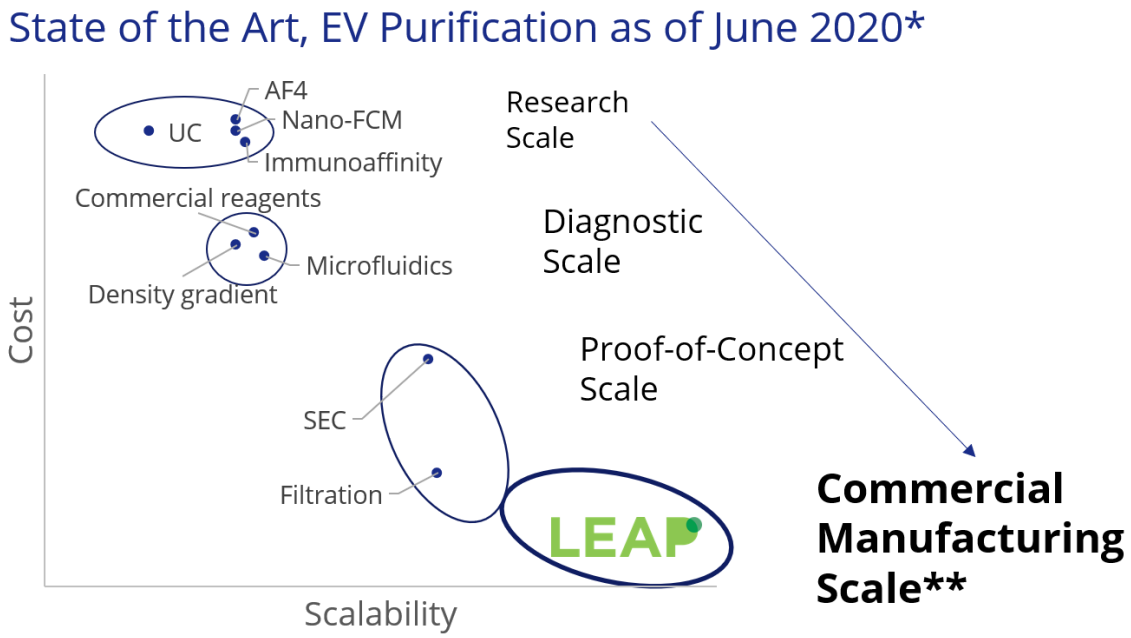
Overview

The Company is advancing EV-based medicines through activity in three main areas (a) proprietary scalable EV product manufacture with our LEAP technology (b) testing naïve EV products for regenerative medicine applications and (c) developing and testing a pipeline of proprietary engineered EV products as precision medicine products.

Investment is aimed at deriving revenue from partnership and commercialisation deals.

Exopharm's LEAP Technology places it at the forefront in the EV Medicine field. Commercial scale manufacturing of proprietary EV products has eluded the field and delayed the testing of EV products despite their potential.

Converting research into a commercial product relies upon commercial manufacturing scale, and LEAP places Exopharm in leadership on both reduced cost and increased scale.



* Adapted from https://doi.org/10.1016/j.tibtech.2020.05.012
Technologies and Standardization in Research on Extracellular Vesicles
Srujan Gandham,[1,4] Xianyi Su,[2,4] Jacqueline Wood,[2,4] Angela L. Nocera,[1] Sarath Chandra Alli,[2,3] Lara Milane,[1] Alan Zimmerman,[2] Mansoor Amiji,[1] and Alexander R. Ivanov[2,*]

** LEAP assessment from Exopharm, based on industrial use to date

Exopharm's EV Technologies

Exopharm now has exclusive international rights on three important EV Technologies, as a foundation for future developments and deals.

This IP now includes:

- LEAP™, wholly-owned IP covering the proprietary isolation and purification of all EVs;
- LOAD™, IP for the insertion of custom-designed nucleic acids - such as messenger RNA (mRNA), interfering RNA (RNAi), microRNA (miRNA) and silencing RNA (siRNA) – into EVs
- EVPS™, IP for the attachment of custom proteins to the surface of EVs to enable targeting of EVs to selected cell types

Together, these technologies enable Exopharm to do things that others cannot. Exopharm now holds a portfolio of exclusive worldwide intellectual property (IP) rights for the design and manufacture of a pipeline of EEV products – the area where sizable transactions are happening.

LEAP

LEAP is a patent applied for technology to purify EVs using affinity chromatography. Over the past 24 months, Exopharm has invested into further know-how and techniques using LEAP. LEAP is seen as a solution to the manufacturing bottleneck that has held back the EV Medicine field till now.

With the foundational invention of LEAP, Exopharm has been capable of producing high quantities of EVs reproducibly from a variety of biological sources. This has powered a virtuous circle of innovation across the entire EV manufacturing process and into a range of EV products presently under development.

LEAP was developed in-house by the Exopharm team and the first patent application was lodged in December 2016.

LOAD

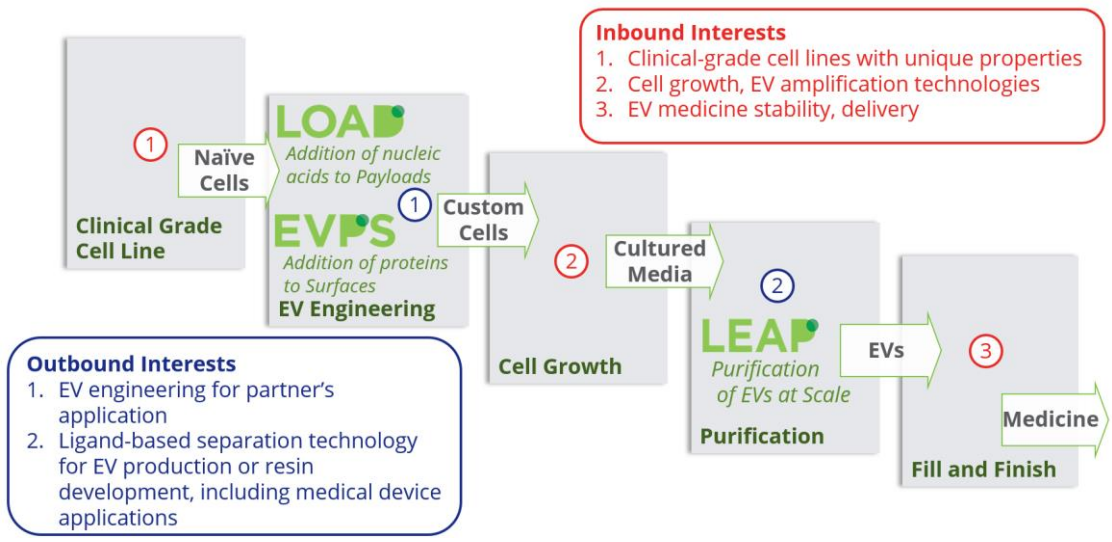
The LOAD IP has been in-licensed from State University of New York USA as an exclusive worldwide all uses license. The LOAD technology is ideally suited to the design and manufacture of EEVs as precision medicines and improves the insertion of custom-designed nucleic acids - such as messenger RNA (mRNA), interfering RNA (RNAi), microRNA (miRNA) and silencing RNA (siRNA) – into EVs.

EVPS

The EVPS IP has been in-licensed from Santa Clara University, USA as an exclusive worldwide all uses license. The EVPS technology allows us to design and manufacture EEVs as precision medicines – by attaching molecules on the outside of the EVs and to target the EVs to certain cell types (i.e. tropism).

These technologies place Exopharm at the forefront in EEV precision medicines and support potential future partnership deals and revenue building opportunities.

Exopharm is active in in-licensing and out-licensing activities.



EV Medicines and the other companies

Presently, there are a limited number of biotechnology companies seeking to advance EV Medicines.

In December 2019 a Nature Biotechnology paper reviewed the field of exosome companies. Of the 14 companies surveyed, only five were preparing for clinical trials. In January 2020, Exopharm became the first company to produce and administer an exosome medicine to a human subject. This success highlights the maturity of Exopharm's manufacturing, analytical, and regulatory capabilities.

As illustrated below, Exopharm is seen as a leader in bringing exosomes/EVs into clinical trials.

news feature

Exosome redux

Adult stem cell companies are pivoting their businesses to commercialize exosomes as therapeutics.

NATURE BIOTECHNOLOGY | VOL 37 | DECEMBER 2019 | 1395–1400 | www.nature.com/naturebiotechnology

Companies Reviewed	Planning Clinical Trials	Clinical Trials Running
Aegle Therapeutics Alxerion Biotech Anjarium Biosciences Aruna Biomedical Capricor Therapeutics Codiak Biosciences Evox Therapeutics ExoCoBio **Exopharm Ltd** NeurExo Sciences PureTech Health ReNeuron Tavec Pharma Versatope Therapeutics	Aegle Therapeutics Codiak Biosciences Capricor Therapeutics Evox Therapeutics **Exopharm Ltd**	exopharm first dosing Jan 2020

A number of stem cell companies (e.g. Capricor and ReNeuron) are moving across to exosomes as therapeutics.

Partnership deals over the past 24 months point to the interest of Pharmaceutical companies (e.g. Takeda) in potential of EV Medicines.

Exopharm's Products

Exopharm is progressing the development of two main types of EVs: Naïve EVs as regenerative medicines (Plexaris and Cevaris) and Engineered EVs as precision medicines.

Naïve EVs

NEVs are EVs that are naturally produced by sources such as adult stem cells and platelets. Substantial research points to NEVs as a safe and effective form of regenerative medicine, with important economic and logistical advantages over stem cell therapies.

NEVs could be applied to conditions such as acute respiratory distress syndrome (ARDS), graft versus host disease (GvHD), osteoarthritis (OA), critical limb ischemia (CLI) and cardiac repair.

Exopharm is leading the world in human clinical trials for naïve EVs.

Exopharm is testing its NEV products in a number of test regimes – aimed at selecting medical conditions for future clinical trials.

Plexaris

Plexaris is our name for platelet derived EVs as a regenerative medicine. Plexaris can be autologous (from the person's own platelets) or allogeneic (from unmatched donor platelets).

In 2019 Exopharm received approval to run its Plexaris study called PLEXOVAL I, an autologous safety study for wound healing. In January 2020, the first trial dosing was announced but recruitment was affected by COVID-19-related access to healthcare facilities.

Exopharm's commercial objective is to develop off-the-shelf exosome medicines, so a Phase 1 allogeneic Plexaris safety study (PLEXOVAL II) is planned for H2 CY 2020.

Cevaris

Cevaris™ is our name for EVs derived from adult stem cells (MSCs). Cevaris is only allogeneic (i.e. unmatched and off-the-shelf)

In testing announced during the past 12 months, Cevaris was compared with 4,500 experimental and sold medicines across a panel of 12 human primary cell-based systems using Eurofins DisCoVery's BioMAP Phenotypic Profiling and Screening Service. The testing provides an unbiased, target-agnostic and data-driven approach to understanding a medicine's impact on human disease models and translational biomarkers.

Cevaris was found to be safe (by comparison and absolute measures) and had notable biological activity in (i) tissue remodelling (ii) inflammatory and (iii) immunomodulatory-related activities. Cevaris was active in modulating multiple types of protein biomarkers including cytokines, chemokines, cell adhesion molecules, MHC class II receptors, extracellular proteins, proteases and inhibitors associated with inflammatory, immunomodulatory and tissue remodelling activities. Cevaris was not cytotoxic and did not cause antiproliferative effects at the concentrations tested.

Clinical testing of Cevaris is planned to start in the next 12 months.

Engineered EVs

Engineered EVs (EEVs) have been the subject of 5 high-value partnership deals, so Exopharm is responding to partner interest by launching its EEV programs.

EEVs have particular merit, as they utilize the natural characteristics of EVs (ability to cross the blood brain barrier, tolerance and durability) as 'vehicles' to deliver either known or new drugs as a new form of precision medicine.

EEVs are finding support in areas such as oncology, neurological, antiviral and cardiac disease.

Exopharm is well placed to meet partner interest and we are testing variants of EEVs to answer questions and satisfy the need for proof of concept data. The in-licensing of the LOAD and EVPS technologies provide a broad base of scientific capability to produce specialized EVs by adding cargo or cell targeting to NEVs.

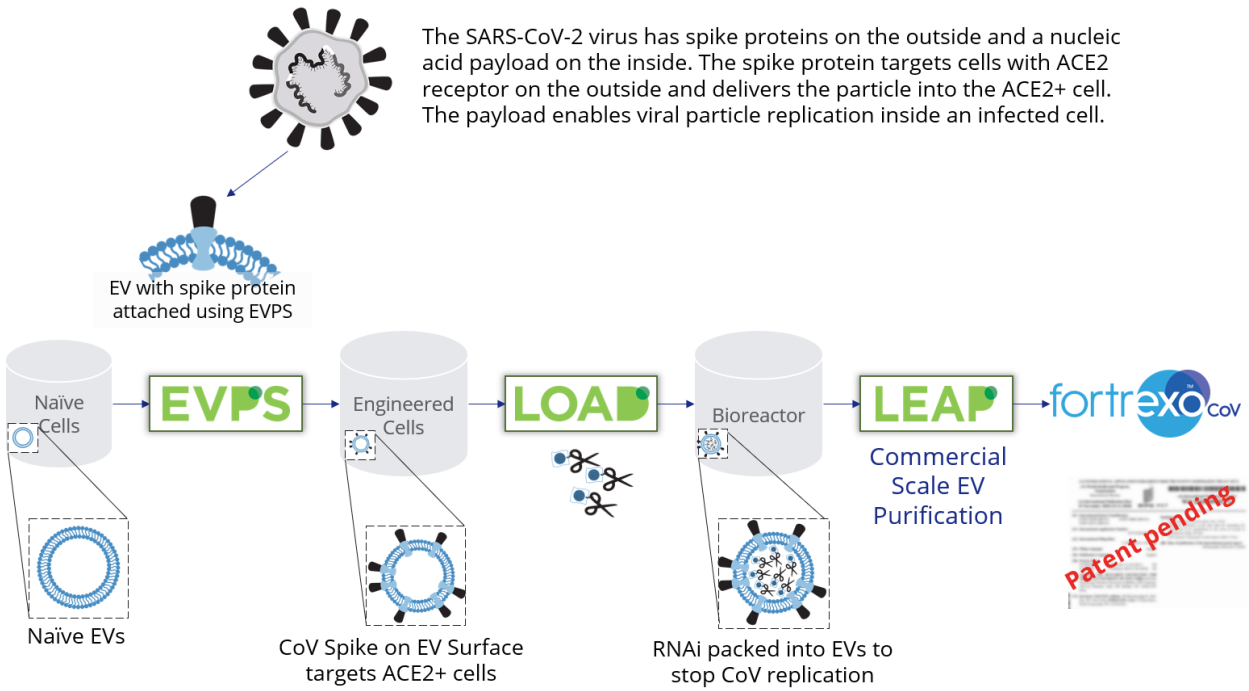
There are two key projects that serve as proof-of-concept work and highlight the power of EEVs: Fortrexo CoV and Plexodox.

Fortrexo CoV

Fortrexo CoV is our name for an EEV product that would potentially reduce the duration and severity of SARS-CoV-2 infection in the early phase of a patient's exposure to COVID-19.

Fortrexo CoV uses all three of Exopharm's EV Technologies:

- Using EVPS, a copy of the SARS-CoV-2 spike protein is attached to EVs. This targets the Fortrexo CoV EVs to cells that are at risk of infection by the virus (i.e. have the ACE2 receptor that the spike protein targets).
- Using LOAD, the Fortrexo CoV is loaded up with RNAi that disrupt the replication of SARS-CoV-2 within a cell. This is designed to stop viral replication and thereby reduce the duration and severity of SARS-CoV-2 infection.
- Using LEAP, Exopharm can manufacture Fortrexo CoV EVs as a clinical grade product in scale



The Fortrexo design technique can be generalized to other RNA viruses such as those causing Dengue, Hepatitis C, Ebola and rabies.

The Fortrexo product can also be designed for use in other applications e.g. targeting siRNA or other drugs to specific cell types such as neurons or cancer cells.

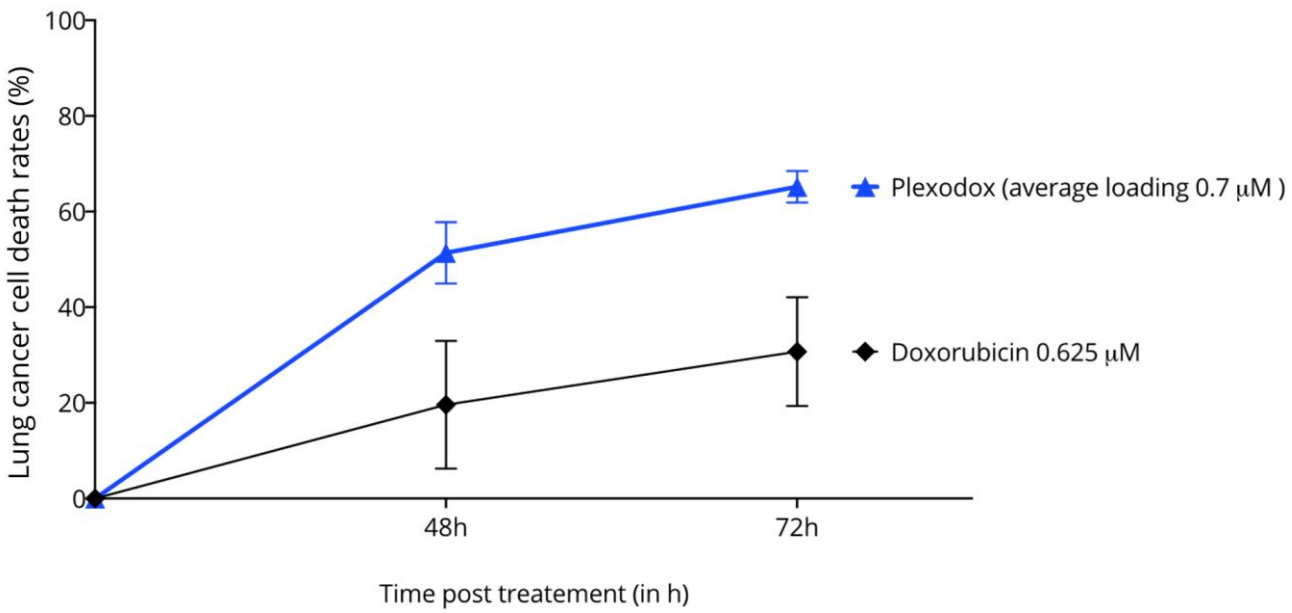
Plexodox

Plexodox is our name for platelet derived EVs loaded with the approved anti-cancer drug doxorubicin, as a novel and improved anticancer drug.

An *in vitro* study using Plexodox killed considerably more cancer cells than a similar dosage of the drug by itself, pointing to a potential treatment with improved anticancer effects whilst minimizing adverse reactions (i.e. extending the therapeutic window).

Doxorubicin is widely used in chemotherapy, with sales worldwide exceeding $1 billion, annually. However, treating patients with doxorubicin causes adverse events (including myelosuppression, cardiotoxicity, alopecia, nausea, and vomiting) and dose levels are often limited by the adverse patient response. Doxorubicin is often sold in a liposomal formulation, which extends the drug's post-administration half-life in circulation and reduces its cardiotoxicity. However, liposome drug delivery nanoparticles are synthetic constructs and can be targeted by the immune system, triggering an adverse immune response, immunotoxicity and liposome clearance.

Plexodox has the potential to both increase the doxorubicin anti-cancer cell killing while reducing the unwanted side-effects, thereby increasing the therapeutic window. Plexodox testing suggests that rapid uptake by cancer cells was key to the statistically significant enhancement of potency observed compared to the drug alone.



The Plexodox evidence is the first to show that existing, off-patent drug can have greater efficacy when carried as EV cargo. This approach should be extensible to other off-patent drugs and is particularly relevant to drugs with small therapeutic windows that are limited by their access to protected spaces (such as the central nervous system) or by their toxicity.

Our Values and People

Exopharm is a company with big ideas and large ambitions. The Exopharm team has deep technical and business expertise together with a strong sense of purpose, energy and appetite for change.

In 2020, Exopharm has four values that capture these expectations and spirit.

We are not going to fit in, we are willing to rock the boat, we are willing to move quickly and be noticed, and stand up for what we believe.

We take responsibility for getting things done. When we hit roadblocks or delays, we get help. We deliver answers.

We are in this together, we are on a mission and we need teamwork and loyalty to make it through.

We are in a special place at a special time on an amazing journey, and we celebrate that.

The Company had 25 employees as of 30 June 2020 (2019: 18 employees).

Significant Events during the Year

1 August 2019	The Company issued 11,900,000 fully paid ordinary shares at $0.37 each pursuant to the Share Placement as announced on 24 July 2019 to raise $4,403,000 before costs
19 August 2019	The Company issued 2,972,000 fully paid ordinary shares at $0.37 each through a Share Purchase Plan to raise $1,099,640 before costs
28 October 2019	The Company appoints its first Chief Commercial Officer, Chris Baldwin PhD
28 January 2020	First human dosing of Plexaris announced as part of PLEXOVAL I safety study
18 March 2020	Exopharm opens its centralized laboratory at the Baker Institute in the Alfred Hospital Precinct
1 April 2020	PLEXOVAL I is suspended due to COVID-19 events unrelated to the study
25 May 2020	The off-patent anti-cancer drug doxorubicin is demonstrated to be more lethal to lung cancer cells when delivered within Plexaris
12 June 2020	LOAD and EVPS technologies are added to Exopharm's IP position, along with the announcement of the Fortrexo COV project

Finance and Accounting

The comprehensive loss of the Company for the financial year, after providing for income tax amounted to $5,278,803 (2019: $2,282,874).

Dividends

No dividends have been paid or declared since the start of the financial period and the Board does not recommend the payment of a dividend in respect of the financial period.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year.

Review of financial conditions

The Company has cash in bank of $1,742,920 as at 30 June 2020 (2019: $4,418,955). The Directors are of the opinion that the Company is a going concern.

Significant events during the year

On 1 August 2019, the Company issued 11,900,000 fully paid ordinary shares at $0.37 each pursuant to the Placement to raise $4,403,000 (before costs).

On 19 August 2019, the Company issued 2,972,000 fully paid ordinary shares at $0.37 each to its employees as part of a share purchase plan amounting to $1,099,640 (before costs).

On 13 September 2019, the Company issued 100,000 fully paid ordinary shares at $0.37 each to an entity related to a director amounting to $37,000 (before costs).

On 15 June 2020, Ms Sinead Teague was appointed Company Secretary and Mr David R Parker resigned from the role of Company Secretary.

Significant events after balance date

There have been no significant events after the balance date.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

Environmental legislation

The Company is not subject to any environmental legislation requirements other than statutory legislation.

Indemnification and insurance of Directors and officers:

The Company has agreed to indemnify all the directors of the Company for any liabilities (other than the company or related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The insurance premium paid for FY 2020 was $140,470 (2019:$108,755).

The Company has paid a premium for contract of insuring the directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

Company Secretary

Ms Sinead Teague is the registered Company Secretary and has been in office since 15 June 2020.

Proceedings on behalf of the Company

There are no proceedings on behalf of the Company.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, William Buck Audit (Vic) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 25/insert and forms part of this directors' report for the year ended 30 June 2020.

REMUNERATION REPORT (AUDITED)

Introduction

This report, which form part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Exopharm Limited for the financial year ended 30 June 2020. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act of 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key Management Personnel (KMP)

The KMP of the Company during or since the end of the financial year were as follows:

Directors	Position	Period of Employment (to present)
Dr Ian Dixon	Managing Director & CEO	1 May 2018
Mr David Parker	Non-Executive Director &	26 June 2018 – ongoing
	Company Secretary	26 June 2018 – 15 June 2020
Mr Jason Watson	Non-Executive Chairman	10 August 2018

Executives	Position	Period of Employment (to present)
Dr Gregory Lichtfuss	Chief Operating Officer	1 May 2018
Dr Christopher Baldwin	Chief Commercial Officer	25 November 2019

Comments on Remuneration Report at Exopharm's most recent AGM

There were no comments or questions on the Remuneration Report for Exopharm arising from the 2019 Annual General Meeting.

Remuneration Policy

The Board of Directors is committed to transparent disclosure of its remuneration strategy and this report details the Company's remuneration objectives, practices and outcomes for KMP, which includes Directors and senior executives, for the year ended 30 June 2020. Any reference to "Executives" in this report refers to KMPs who are not Non-Executive Directors.

Remuneration Policy Framework

The Company's remuneration policy is to assist the Company to attract and retain key people to assist the development of its products and entering into partnership transactions. It has been designed to reward key management and employees fairly and responsibly in accordance with the market in which the Company operates, and to ensure that Exopharm:

- Provides competitive remuneration that attracts, retains and motivates executives and employees;
- Benchmarks remuneration against appropriate peer groups;
- Provides a level of remuneration structure to reflect each executive's respective duties and responsibilities;
- Aligns executive incentive rewards with the creation of value for shareholders; and
- Complies with legal requirements and appropriate standards of governance.

Remuneration Committee

The Board has not implemented a separate Remuneration Committee during the year. Due to the size of the Company and the fact there are only three directors on the board, this has been the responsibility of the whole Board.

Remuneration Structure

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

Policy for Executive Remuneration

The Company maintains its existing performance management procedures for key management personnel by having each key manager undertake an annual performance appraisal with the Managing Director based on individual and business performance expectations and other circumstances. The Chief Executive Officer's performance is in turn reviewed by the Board of Directors.

The Company's remuneration policy is to provide a fixed remuneration component and a short-term and long-term performance-based component. The Board believes that this remuneration policy is appropriate in aligning executives' objectives with shareholder and business objectives.

Executive Remuneration consisted of only Fixed and Variable Remuneration during the year.

Remuneration Components

Fixed Remuneration

Fixed remuneration consists of based salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration was reviewed by Board of Directors having regard to remuneration paid to executives of relevant comparable peer group of companies taking into account company and individual performance. The Company sought to position its fixed remuneration in line with comparably sized ASX listed companies within the same sector. Size is determined by market capitalisation at the time of comparison.

Executives receive an employer superannuation contribution made into a complying superannuation fund at the required Superannuation Guarantee rate (Currently 9.5%) of base salary. Executives may receive other benefits including vehicle benefits and provision of a mobile telephone. During the year no vehicle benefits were provided.

Variable Remuneration

There was variable remuneration for the Executives during the year.

Variable remuneration includes cash bonus' which are linked to Key Performance Indicators. As at 30 June 2020, only the COO, CCO and CEO had a cash bonus structure incorporated into their employment contracts.

Policy for and Components of Non-Executive Remuneration During the Reporting Period

Remuneration Policy

Non-Executive Director Fees

The overall level of annual Non-Executive Director fees was approved by shareholders in accordance with the requirements of the Company's Constitution and the Corporations Act. The maximum aggregate pool of Directors' fees payable to all of the Company's Non-Executive Directors is $350,000 per annum. This aggregate amount was approved by shareholders at a General Meeting of Shareholders 26 June 2018.

Equity Compensation

In accordance with Australian Practice and shareholder preference, the Company's current policy is not to grant any further equity-based compensation to Non-Executive Directors. Accordingly, no equity incentives were offered to Non-Executive Directors in the reporting period to 30 June 2020.

Remuneration Structure

Non-Executive Directors receive a fixed remuneration of base fees plus statutory superannuation. The Chairman receives $96,000 per annum and the only non-executive Director receives $30,000 per annum, which includes statutory superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company. In addition to these fees, Non-Executive Directors are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, committee or shareholder meetings whilst engaged by Exopharm. Non-Executive Directors do not earn retirement benefits other than superannuation and are not entitled to any compensation on termination of their directorships.

The annual Board and committee fees were reviewed during the reporting period to 30 June 2020 and have remained unchanged since this review. A further review will be conducted in the next financial period in accordance with the annual review of salaries performed by the Board of Directors.

The current Board and additional committee fee structure for Non-Executive Directors is as per the table below:

Board		Remuneration Committee	
Chair	Member	Chair	Member
96,000	30,000	-	-

Fees for Non-Executive Directors are not linked to the performance of the Company, however, to align directors' interests with shareholder interests, the directors may hold shares in the Company as governed by the Company's Securities Trading Policy.

Remuneration Governance Including Use of Remuneration Consultants

The Board is responsible for ensuring Exopharm's remuneration strategy is aligned with Company's performance and shareholder interests and is equitable for participants. The Board is responsible for reviewing and making decisions on remunerations matters.

Employment Contracts

As of the date of this report, remuneration and other terms of employment of Directors and Other Key Management Personnel are formalised in employment contracts and service agreements. The major provisions of the agreements related to remuneration are set out below (amounts below include statutory superannuation):

	Base salary/fee	Terms of agreement	Notice period
Executive Director			
Dr Ian Dixon	Base Remuneration: $280,000 per annum (including Super) from 1st December 2019 Bonus Remuneration: • Annual Bonus 1: At-risk annual Cash bonus for first 12 months of up to $80,000 (inclusive of Superannuation) based on achievement of key performance indicators (KPIs) monitored by the board; and • Annual Bonus 2: At-risk annual Share bonus for first 12 months of up to 200,000 shares (FPO) (issued to employee with no further tax or other charges owing [i.e. after tax]) based on achievement of KPIs to be monitored by the board.	Commencement date 1 December 2019 Employment type: Ongoing standard employment agreement based on 0.8 full time equivalent Role Title: Managing Director and Chief Executive Officer	6 months in writing by either party. Other Clauses: Other clauses as per Exopharm's standard employment agreement.
	$220,000 per annum (including Super) from 30 November 2018	Prior agreement Commencement date – 1 May 2018 for a maximum term of 2 years unless extended by mutual agreement	

Non-Executive Directors

Mr David Parker	$30,000 per annum (inc Super)	Commencement date – 26 June 2018	Upon written advice of intention or in accordance with the Constitution of the Company or the Corporations Act 2001
Mr Jason Watson	$96,000 per annum (inc Super)	Commencement date – 10 August 2018	Upon written advice of intention or in accordance with the Constitution of the Company or the Corporations Act 2001

Other KMP

Dr Gregor Lichtfuss	$159,432 per annum (including Super) from 1 July 2019 plus a cash bonus of $10,000 on certain performance criteria. Gregor Lichtfuss also received a one off bonus during the year of $22,583; $219,788.40 per annuum (including Super) from 1 December 2019	Commencement date – 1 May 2018	3 months in writing by either party Other Clauses: Other clauses as per Exopharm's standard employment agreement.
Dr Christopher Baldwin	Base Remuneration: $330,000 per annum (including Super), from 25 November 2019 Bonus Remuneration: • Annual Bonus 1: At-risk annual Cash bonus of up to $33,000 (inclusive of Superannuation) based on KPIs to be set; and • Annual Bonus 2: At-risk annual Share bonus for first 12 months for the smaller of 75,000 shares (FPO) or $75,000 (inclusive of Superannuation) based on KPIs to be set.	Commencement date 25 November 2019	3 Months in writing by either party Other Clauses: Other clauses as per Exopharm's standard employment agreement.

Remuneration of KMP

Details of the nature and amount of each element of the emoluments received by or payable to each of the KMP of Exopharm Limited for the financial years specified are as follows:

	Short-term benefits				
2020	Salary & fees $	Bonus Payments $	Super-annuation $	Share-based payments $	Total $
Directors					
Mr Jason Watson	87,671	-	8,329	-	96,000
Dr Ian Dixon	232,877	-	22,123	-	255,000
Mr David Parker	27,397	-	2,603	-	30,000
Other KMP					
Dr Gregor Lichtfuss	177,795	32,583	19,986	-	230,364
Dr Christopher Baldwin	182,137	-	17,303	-	199,440
	731,327	**9,133**	**70,344**	**-**	**810,804**

Mr Jason Watson & Mr David Parker: No Bonus component to remuneration, i.e. Nil Bonus forfeited (0%) and Nil bonus paid (0%).

Dr Ian Dixon and Dr Christopher Baldwin: Both have Bonus component as part of their remuneration, however nil bonus was paid during the year (0%) and Nil bonus forfeited (0%). Bonus component for both employees are due to be reviewed annually, i.e. before November 2020.

Dr Gregor Lichtfuss: Bonus paid during the year was 100% of potential Bonus with Nil bonus was forfeited (0%).

	Short-term benefits				
2019	Salary & fees $	Bonus Payments $	Super-annuation S	Share-based payments $	Total $
Directors					
Mr Jason Watson	78,244	-	7,433	-	85,677
Dr Ian Dixon	180,764	-	17,173	-	197,937
Mr David R Parker	27,397	-	2,603	-	30,000
Other KMP					
Dr Gregor Lichtfuss	135,164	-	12,841	-	148,005
	421,570	**-**	**40,049**	**-**	**461,619**

Bonus Paid or forfeited: Nil bonus was paid (0%) and Nil bonus were forfeited (0%) by any KMP for the 2019 year.

No member of key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Other disclosure:

The Company is a pre-revenue biotechnology company and expects to generate negative earnings until such time as the company can either outlicense its technologies/products or take the products to registration (either on it's own or with a partner) and to the point of sales. Negative earnings for pre-revenue biotechnology companies is common and we don't expect this to affect shareholder wealth.

Key Management Personnel Equity Holdings

Fully paid ordinary shares

30 June 2020	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change – other Number	Balance at end of year Number	Balance held nominally Number
Directors						
Dr Ian Dixon	**27,935,294**	**-**	**-**	**40,000**	**27,975,294**	**27,975,294**
Mr David Parker	**1,072,200**	**-**	**-**	**20,000**	**1,092,200**	**1,092,200**
Mr Jason Watson	**150,000**	**-**	**-**	**140,000**	**290,000**	**290,000**
Other KMP						
Dr Gregor Lichtfuss	**588,235**	**-**	**-**	**40,000**	**628,235**	**628,235**
Dr Christopher Baldwin	-	-	-	-	-	-

30 June 2019	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change – other Number	Balance at end of year Number	Balance held nominally Number
Directors						
Dr Ian Dixon	**96,000**	**-**	**-**	**27,839,294**	**27,935,294**	**27,935,294**
Mr David Parker	**-**	**-**	**-**	**390,000**	**390,000**	**390,000**
Mr Jason Watson	**-**	**-**	**-**	**-**	**-**	**-**
Other KMP						
Dr Gregor Lichtfuss	**-**	**-**	**-**	**588,235**	**588,235**	**588,235**

Directors' Meetings

The number of resolutions passed by the Directors during the year as shown by the number of meetings attended was as follows:

	Director / Board Meetings	
Director	**Attended**	**Eligible to Attend**
Mr Jason Watson	9	9
Dr Ian Dixon	9	9
Mr David Parker	9	9

In addition to the above board meetings, 11 circular resolutions of the Board of Directors were passed.

Signed in accordance with a resolution of the directors.

Dr Ian Dixon

Managing Director

Exopharm Limited

Dated 26 August 2020

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EXOPHARM LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

William Buck.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated 26th August 2020

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Other Income			
ATO income	3	2,665,473	-
Interest income		60,580	28,789
Expenses			
Employee costs		(3,134,273)	(1,048,672)
Research and development	4	(2,980,449)	(606,732)
Corporate & Administration expenses	4	(1,890,134)	(656,261)
Loss before income tax expense		**(5,278,803)**	**(2,282,874)**
Income tax expense	5	-	-
Loss for the year		**(5,278,803)**	**(2,282,874)**
Other comprehensive income, net of income tax		**-**	**-**
Total comprehensive loss for the year		**(5,278,803)**	**(2,282,874)**
Loss attributable to members of the Company		**(5,278,803)**	**(2,282,874)**
Basic and diluted loss per share (cents per share)	7	**(5.62)**	**(4.03)**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
Assets			
Current Assets			
Cash and cash equivalents	8	1,742,920	4,418,955
Other current assets	9	2,315,776	162,508
Total Current Assets		**4,058,696**	**4,581,463**
Non-current Assets			
Plant and equipment	10	911,689	494,122
Right-of-use assets	11	929,267	-
Security deposits	11	277,791	-
Intangible assets	12	325,000	325,000
Other non-current assets		40,000	-
Total Non-current Assets		**2,483,747**	**819,122**
Total Assets		**6,542,443**	**5,400,585**
Liabilities			
Current Liabilities			
Accounts payable and other current liabilities	13	612,252	281,002
Lease liability	14	309,132	-
Total Current Liabilities		**921,384**	**281,002**
Non-current Liabilities			
Lease liability	14	603,741	-
Total Non-current Liabilities		**603,741**	**-**
Total Liabilities		**1,525,125**	**281,002**
Net Assets		**5,017,318**	**5,119,583**
Equity			
Issued capital	6	12,755,619	7,578,815
Accumulated losses		(7,738,301)	(2,459,232)
Total Equity		**5,017,318**	**5,119,583**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital	Accumulated Losses	Total Equity
	$	$	$
Balance as at 1 July 2018	169,090	(176,358)	(7,268)
Loss for the year, as reported	-	(2,282,874)	(2,282,874)
Other comprehensive income, net of income tax	-	-	-
Total comprehensive loss for the year, as restated	-	(2,282,874)	(2,282,874)
Shares issued during the year (net of share issue costs)	7,409,725	-	7,409,725
Balance as at 30 June 2019	**7,578,815**	**(2,459,232)**	**5,119,583**

	Issued Capital	Accumulated Losses	Total Equity
	$	$	$
Balance as at 1 July 2019, as reported	7,578,815	(2,459,232)	5,119,583
Adjustment on initial application of new accounting standards (Note 1)	-	(266)	(266)
Balance as at 1 July 2019, as restated	7,578,815	(2,459,498)	5,119,317
Loss for the year	-	(5,278,803)	(5,278,803)
Other comprehensive income, net of income tax	-	-	-
Total comprehensive loss for the year	-	(5,278,803)	(5,278,803)
Shares issued during the year (net of share issue costs)	5,176,804	-	5,176,804
Balance as at 30 June 2020	**12,755,619**	**(7,738,301)**	**5,017,318**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(7,311,818)	(2,213,308)
Research and development refund received		504,582	-
Interest received		60,580	28,789
Proceeds from ATO cashflow boost		50,000	-
Net cash (used in) operating activities	7	(6,696,656)	(2,184,519)
Cash flows from investing activities			
Purchase of plant and equipment		(631,802)	(533,652)
Security deposits paid		(277,791)	-
Advances to employee		(40,000)	-
Additions to intangible asset		-	(325,000)
Net cash (used in) investing activities		(949,593)	(858,652)
Cash flows from financing activities			
Proceeds from issue of shares – net of issue costs		5,176,804	7,409,725
Repayment of lease liability		(184,846)	-
Finance costs paid		(21,744)	-
Net cash provided by financing activities		4,970,214	7,409,725
Net (decrease)/increase in cash and cash equivalents		(2,676,035)	4,366,554
Cash and cash equivalents at the beginning of the year		4,418,955	52,401
Cash and cash equivalents at the end of the year	7	**1,742,920**	**4,418,955**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

The financial statements comprise the financial statements of the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for Exopharm Limited. Exopharm Limited does not have any subsidiaries.

The financial report has also been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated in and operating in Australia. The principal activity of the Company during the year was investment in biopharmaceutical drug development.

(b) Adoption of new and revised standards
Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2020, the Board has reviewed all new and revised standards and interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

The Company has applied AASB 16 from 1 July 2019 using the modified retrospective approach with no restatement of comparative information. The impact on the accounting policies, financial performance and financial position of the Company from the adoption of AASB 16 are detailed in Note __.

The Board has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2020. As a result of this review the Board has determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 26 August 2020. The financial report complies with Australian Accounting Standards, (AAS). Compliance with AAS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Impairment of plant and equipment of intangible assets

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue recognition for R&D income

Revenue for R&D income has been recognised in the year that the income relates to, however actual receipt of the R&D Grant funds do not occur until after the Balance Date. While the R&D income is based on lodged submissions and expected revenue, there is however some uncertainty relating to the final receipt and R&D income, as final income is subject to ATO finalisation and payment between three to nine months following the balance date and as at the date of this report the FY2020 R&D income has not yet been receipted.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of Directors of Exopharm.

(f) Foreign currency translation

Both the functional and presentation currency of Exopharm is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. All exchange differences in the financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(g) Other Income

Interest income

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Other Income (continued)

Research and Development Refund
Income from a research and development refund as a financial asset is recognised when it is probable that the grant will be received, which is determined in reference to when a refund has been verified by a suitably qualified third party and lodged with the Australian Taxation Office. No estimates of any potential research and development refunds or grants are recognised until such time as they are probable.

ATO Cash Boost Income
Income received from the Australian Taxation Office as a cash boost has been recognised as revenue in the relevant year when there is reasonable assurance that the entity will comply with the conditions attached to the grant and that the grant will be received.

(h) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred tax assets and deferred tax liabilities are provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

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

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of tangible and intangible assets other than goodwill

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Cash and cash equivalents

Cash comprises cash at bank and on hand. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provisions for impairment, doubtful debts and rebates. Trade receivables are generally due for settlement within 30 – 90 days.

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss model to be applied. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. AASB 9 requires the Company to measure the loss allowance at an amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition the Company is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income within other expenses.

When a trade receivable, for which an impairment allowance had been recognised, becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

(m) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on diminishing value basis using the following useful lives:

Plant equipment	3 to 10 years
Office equipment	3 years
Computer equipment	3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Plant and equipment (continued)

Derecognition and disposal
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(n) Intangible assets

Intangible assets acquired separately
Intangible assets acquired separately are recorded at cost and less accumulated amortisation once the IP asset is ready for use and/or impairment as required. Amortisation is charged on a straight-line basis over their estimated useful lives, amortisation starts following the grant of a patent and assets are held at cost until such time as the patent has been granted or impaired. At this point in time no IP assets or patents have been granted. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful lives are used in the calculation of amortisation:

IP asset	8 years following grant of patent

(o) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some, or all, of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(q) Issued capital

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

(r) Loss per share

Basic loss per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as net loss attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) New Standard adopted

AASB 16 Leases

Change in accounting policy

AASB 16 Leases supersedes AASB 117 Leases. The Company has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Company is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Statement of Financial Position on 1 July 2019. Under this approach, there is an initial impact of $266 on accumulated losses under this approach, and comparatives have not been restated.

The Company leases various premises. Prior to 1 July 2019, leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Company is a lessee, the Company recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Company (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Company uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

• Fixed lease payments less any lease incentives receivable;

• Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;

• Any amounts expected to be payable by the Company under residual value guarantees;

• The exercise price pf purchase options, if the Company is reasonably certain to exercise the options; and

• Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Extension options are included in a number of property leases across the Company. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) New Standard adopted

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there us a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Company to restore the underlying asset, or the Company has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Company has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term. . The expense and commitments to these leases are disclosed in Note 20 to the financial statements.

Impact on adoption of AASB 16
On adoption of AASB 16, the Company recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 July 2019 was 5%.

On initial application right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised In the Statement of Financial Position as at 30 June 2019.

In the Statement of Cash Flows, the Company has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.

The adoption of AASB 16 resulted in the recognition of right-of-use assets of $18,305 and lease liabilities of $18,571 in respect of all operating leases, other than short-term leases and leases of low-value assets. The net impact on retained earnings on 1 July 2019 was $266.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) New Standard adopted

Change in accounting policy (continued)

Practical expedients applied

In applying AASB 16 for the first time, the Company has used the following practical expedients permitted by the standard:

• For existing contracts as at 1 July 2019, the Company has elected to apply the definition of lease contained in AASB 117 and Interpretation 4 and has not applied AASB 16 to contracts that were previously not identified as leases under AASB 117 and Interpretation 4;

• Accounting for operating leases ending within 12 months of application date as at 1 July 2019 as short-term leases, with no right-of-use asset nor lease liability recognised;

• Relying on historic assessments of whether leases were onerous instead of performing impairment reviews of right-of-use assets immediately prior to the date of initial application of AASB 16;

• Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Short term leases

The Company also has a number of short-term leases and has applied the optional exemption to not capitalise these leases and instead accounted for the lease expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: SEGMENT REPORTING

The Company only operated in one segment, being investment in research and development of biopharmaceutical drugs.

NOTE 3: ATO INCOME

	2020 $	2019 $
Research and development refund receivable	2,110,891	-
Research and development refund received	504,582	-
Cash flow boost	50,000	-
	2,665,473	**-**

NOTE 4: EXPENSES

	2020 $	2019 $
4.1 Research and development		
Research costs and expenses	2,349,601	501,165
Depreciation of plant and equipment	193,043	52,089
Depreciation of right-of-use assets	168,187	-
Intellectual property expenses	269,618	53,478
	2,980,449	**606,732**
4.2 Administrative expenses		
Corporate expenses	919,204	179,110
Professional and consulting fees	211,135	135,912
Insurance	137,153	66,684
Business development and marketing	137,905	-
Subscriptions	104,943	24,969
Depreciation of plant and equipment	21,192	7,919
Other administrative expenses	358,602	241,667
	1,890,134	**656,261**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: INCOME TAX

	2020 $	2019 $
(a) Income tax benefit	-	-
(b) Numerical reconciliation between tax-expense and pre-tax net loss		
(Loss) from ordinary activities	(5,268,223)	(2,282,874)
Income tax (benefit) using the Company's domestic tax rate of 30% (2019: 27.5%)	(1,580,467)	(627,790)
Temporary differences not recognised	-	-
Current period (loss) for which no deferred tax asset was recognised	(1,580,467)	627,790
Income tax benefit attributable to entity	**-**	**-**

(c) Unrecognised deferred tax

Tax losses for which no deferred tax asset has been recognised	**2020 $**	**2019 $**
Losses available for offset against future taxable income	3,693,748	2,457,471
Total	3,693,748	2,457,471
Potential tax benefits at 27.5% (2019: 27.5%)	**1,108,124**	**675,804**

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6: ISSUED CAPITAL

	2020 $	2019 $
Ordinary shares		
Balance at beginning of year	7,578,815	169,090
Shares issued	5,539,640	8,200,000
Less share issue costs	(362,836)	(790,275)
Balance at end of year	**12,755,619**	**7,578,815**

	No.	No.
Movements in ordinary shares on issue		
Balance at beginning of year	80,500,000	35,500,000
Shares issued through Placement	14,972,000	45,000,000
Balance at end of year	**95,472,000**	**80,500,000**

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

On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: LOSS PER SHARE

Basic and diluted loss per share

	30 June 2020	30 June 2019
	Cents per share	Cents per share
Basic and diluted loss per share (cents per share)	**(5.62)**	**(4.03)**

Loss

Losses used in the calculation of basic and diluted loss per share is as follows:

	30 June 2020	30 June 2019
	$	$
Losses	**(5,278,803)**	**(2,282,874)**

Weighted average number of ordinary shares

The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	30 June 2020	30 June 2019
	Number	Number
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**94,005,060**	**56,710,951**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8: CASH AND CASH EQUIVALENTS

Reconciliation to the Statement of Cash Flows:
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2020	2019
	$	$
Cash in bank	1,242,920	1,918,955
Short term deposit	500,000	2,500,000
	1,742,920	**4,418,955**

Term deposits are taken for periods between one and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Reconciliation of loss after tax to net cash outflow from operating activities:

	2020	2019
	$	$
Loss for the year	**(5,278,803)**	**(2,282,874)**
Adjustment for non-cash income and expense items		
Depreciation and amortisation	382,421	60,008
Research and development refund claim	(2,110,891)	-
Finance costs paid classified in financing activities	21,744	-
Changes in assets and liabilities		
Other current assets	(42,377)	(27,128)
Accounts payable and accruals	331,249	65,475
Net cash outflow from operating activities	**(6,696,656)**	**(2,184,519)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: OTHER CURRENT ASSETS

	2020	2019
	$	$
Research and development refund claim	2,110,891	-
GST receivable	57,324	36,209
Advances to suppliers	20,032	-
Other receivables	14,197	14,925
Prepayments	113,332	111,374
	2,315,776	**162,508**

NOTE 10: PLANT AND EQUIPMENT

	Plant equipment $	Computer equipment $	Office equipment $	Total $
Balance at 1 July 2019	438,467	43,873	11,782	494,122
Additions	631,802	-	-	631,802
Depreciation charge for the year	(193,044)	(16,654)	(4,537)	(214,235)
Balance at 30 June 2020	**877,225**	**27,219**	**7,245**	**911,689**
Balance at 1 July 2018	20,478	-	-	20,478
Additions	470,078	49,962	13,612	533,652
Depreciation charge for the year	(52,089)	(6,089)	(1,830)	(60,008)
Balance at 30 June 2019	**438,467**	**43,873**	**11,782**	**494,122**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: RIGHT-OF-USE ASSETS

	Premises 2020	Premises 2019
Carrying value	**$**	**$**
Cost	1,097,454	-
Accumulated depreciation	(168,187)	-
Carrying value as at 30 June 2020	**929,267**	**-**
Reconciliation		
Recognised on 1 July 2019 on adoption of AASB 16	18,305	-
Lease inception	1,079,149	-
Depreciation	(168,187)	-
Carrying value as at 30 June 2020	**929,267**	**-**

AASB 16 has been adopted during the period, refer note *s* for details. There are no indicators of impairment of Right-of-use assets as at 30 June 2020.

Right-of-use assets relates to laboratory and corporate offices facilities leased by the Company. A Security deposit amounting to $277,791 was paid as security for the facilities during the year ended 30 June 2020. This security deposit relates to the Companies major lease commitments at The Baker, Melbourne. This lease is disclosed in the accounts as a Lease Liability. The Lease runs for an initial three year period and has annual rent of circa $277,000 and associated outgoings of less than $100,000 per annum. The facility is used by the Company's research and development team and has extensive laboratory facilities that are used to run experiments, maintain cultures and execute the development program.

NOTE 12: INTANGIBLE ASSETS

	IP asset	License asset $
Balance at 1 July 2019	325,000	-
Balance at 30 June 2020	**325,000**	**-**
Balance at 1 July 2018	-	175,000
Terminated/Cancelled	-	(175,000)
Additions	325,000	-
Balance at 30 June 2019	**325,000**	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: INTANGIBLE ASSETS (continued)

On 5 October 2018, the Company and Altnia (Licensor) signed an Intellectual Property Assignment and License Termination Deed (the "Deed"). Altnia has agreed to assign and the Company agreed to accept the assignment of, all of Altnia's rights, titles, estate and interest in the Assignment Rights. Assignment rights includes patents, documentation, confidential material, know-how, inventions and for avoidance of doubt, all Intellectual Property Rights in the LEAP Technology, including:

a. LEAP Ligand know-how and rights of use;
b. All current and future applications of the LEAP Ligand; and
c. Other technologies and discoveries made that are associated with the LEAP process.

In addition, Altnia and the Company agreed to terminate the License Agreement above subject to and in accordance with the terms and conditions of the Deed.

As consideration for the assignment of the Assignment Rights, Exopharm must:

a. grant royalties to Altnia; and
b. provide the Reimbursement Payments to Altnia in accordance with Clause 7 of the Deed.

Clause 7 of the Deed, mandates that Exopharm must pay to Altnia the Reimbursement Payments, as partial reimbursement of the costs incurred by Altnia in developing and protecting the Assignment Rights, as follows:

a. $75,000 on or before 1 September 2018 (Initial Reimbursement Payment); and
b. $250,000 within 7 business days on which each of the following have been satisfied:
c. ASX notifies Exopharm that it has decided to admit Exopharm to the official list of ASX and to quote its securities, subject to the satisfaction of certain conditions precedent (Decision Letter); and
d. The Exopharm Board resolves to do all things necessary to satisfy the conditions precedent in the Decision Letter, including issuing securities under its initial public offering.

The parties also acknowledged and agree that, prior to the commencement date of the Deed, Exopharm has made full payment of the Initial Reimbursement Payment amounting to $75,000.

The Company has fully paid the $325,000 cost of the IP asset as at 30 June 2019.

This IP asset has not been amortised as per note (s), given that the IP asset it not considered ready for use, given that the underlying patents have not yet been granted. Useful life is considered 8 years following grant, as such, amortisation will commence on grant of the underlying patents.

Other IP: Other intellectual property, new in-licensing costs and patent costs have been expensed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

	2020	2019
	$	$
Accounts payable	137,615	36,527
Accruals	32,474	53,115
Accrued payroll costs	204,066	71,075
Superannuation payable	-	12,628
PAYG payable	238,097	107,657
	612,252	**281,002**

NOTE 14: LEASE LIABILITIES

	2020	2019
	$	$
Current liabilities	309,132	-
Non-current liabilities	603,741	-
	912,873	**-**

Reconciliation:

	2020	2019
	$	$
Recognised on 1 July 2019 on adoption of AASB 16	18,571	-
Lease inception	1,079,148	
Principal repayments	(184,846)	-
Balance at 30 June	**912,873**	**-**

AASB 16 has been adopted during the year, refer to note 1*(s)* for details. The Company leases premises with an average lease term of 3 years

The Company has provided a Security Deposit equivalent to one years rent, to be provided as security for the lease, for the main lease at The Baker. Other leases have no security provided.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: FINANCIAL INSTRUMENTS

	2020	2019
	$	$
Financial assets		
Cash in bank	1,742,920	4,418,955
Other receivables	71,521	51,134
Other non-current assets	40,000	-
	1,854,441	**4,470,089**
Financial liabilities		
Accounts payable and other current liabilities	612,252	281,002
Lease liabilities	912,873	-
	1,525,125	**281,002**

The Company's principal financial instruments comprise of cash and cash equivalents, other receivables, security deposits, payables and other current/non-current liabilities. The main purpose of the financial instruments is to provide working capital for the operations of the business. The Company also has other financial instruments such as trade creditors which arise directly from its operations. For the year ended 30 June 2020, it has been the Company's policy not to trade in financial instruments.

Financial risk management objectives and policies:

The Company has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Market risk
- Foreign exchange risk
- Capital risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers and suppliers.

The Company's exposure and the credit ratings of its counter-parties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: FINANCIAL INSTRUMENTS (continued)

The Company does not have any significant credit risk exposure. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company did not have any undrawn facilities at its disposal as at balance date.

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	$	$	$	$	$
2020						
Non-interest bearing	-	-	612,252	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	78,764	230,368	603,741	-
		-	**691,016**	**230,368**	**603,741**	**-**
2019						
Non-interest bearing	-	-	281,002	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		-	**281,002**	**-**	**-**	**-**

(c) Interest rate risk management

The Company is not exposed to significant interest rate risk.

(d) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to market risk as at reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: FINANCIAL INSTRUMENTS (continued)

(e) Foreign Exchange Risk

The Company has an exposure to foreign exchange rates fluctuations given that the Company purchases plant equipment, consumables and services from overseas suppliers as part of the research and development activities of the Company. As at 30 June 2020, the Company has no material foreign currency denominated monetary liabilities.

(f) Capital Risk Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. The primary source of Company funding is equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

NOTE 16: RELATED PARTY DISCLOSURES

The Company's related parties include Key Management and others as described below:

Transactions with Key Management Personnel (KMP)

The aggregate compensation made to Directors and other Key Management Personnel of the Company is set out below:

	2020	2019
	$	$
Short-term employee benefits	810,804	461,619
Total	**810,804**	**461,619**

Transactions with Entities Related to KMP

The aggregate transactions with entities related to KMP are as follows:

	2020	2019
	$	$
Corporate and other expenses	232,883	101,702
Research and development	-	59,035
Licensed asset terminated/cancelled	-	(175,000)
New IP asset	-	325,000
Total	**232,883**	**310,737**

In addition to the above, ACNS Capital Markets Pty Ltd T/A Alto Capital was also paid $390,263 for services as Lead Manager and Corporate Advisor to the Company during the year. Mr Parker is an employee of Alto Capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17: AUDITORS' REMUNERATION

The auditor of Exopharm Limited is William Buck

	2020	2019
	$	$
Audit or review of the financial statements	41,196	30,030
Total	**41,196**	**30,030**

NOTE 18: EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date.

NOTE 19: DIVIDENDS

The directors of the Company have not declared any dividend for the year ended 30 June 2020.

NOTE 20: COMMITTMENTS AND CONTINGENCIES

As at 30 June 2020, the Company has no other material commitments except as disclosed below:

Altnia Royalty Deed Commitments

On 5 October 2018, the Company and Altnia Operations Pty Ltd (Altnia or Licensor) signed an Intellectual Property Assignment and License Termination Deed (the "Deed"). As consideration for the assignment of the Assignment Rights, Exopharm must:

a. grant royalties to Altnia; and
b. provide the Reimbursement Payments to Altnia in accordance with Clause 7 of the Deed.

The Reimbursement Payments were fully paid during the 2019 year.

As at 30 June 2020, the Company is a party to a Royalty Deed with Altnia Operations Pty Ltd (a company owned by a KMP). As at 30 June 2020, the Company has the following financial commitments pursuant to the Royalty Deed:

1. Royalties on net sales – 3% of net sales;
2. License Royalty – 10% of license revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 20: COMMITTMENTS AND CONTINGENCIES (Continued)

Lease Commitments

As at 30 June 2020, the Company has one major lease commitments at The Baker, Melbourne. This lease is disclosed in the accounts as a Lease Liability. The Lease runs for an initial three-year period and has annual rent of circa $277,000 and associated outgoings of less than $100,000 per annum.

As at 30 June 2020, the Company has a number of short-term leases and has applied the optional exemption to not capitalise these leases and instead accounted for the lease expense on a straight-line basis over the lease term. Total expense for these short term leases amounted to $ 136,634 as at 30 June 2020 (2019:$47,637). There were no commitments to these short-term leases as at 30 June 2020 and 30 June 2019.

Employee Commitments

The Company has 27 employees as at the date of this report and a current annualised total annual remuneration of $3,571,019 including statutory superannuation. The Company pays statutory superannuation on a monthly basis.

IP & Trademark Commitments

Patent Costs – Total Patent/patent legal costs for the next 12 months are approximately $140,000.
Trademark Costs – Total known trademark costs for the next 12 months are approximately $10,000.

DIRECTORS' DECLARATION

In the opinion of the Board of Exopharm Limited ('the Company'):

1. The financial statements and notes thereto, as set out on pages 25 to 53 are in accordance with the Corporations Act 2001 including:

    a. giving a true and fair view of the Company's financial position as at 30 June 2020 and its performance for the year then ended; and

    a. complying with Australian Accounting Standards, the Corporations Regulations 2001, and International Standards (IFRS) as disclosed in Note 1 of the Financial Statements; 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 signed in accordance with a resolution of the Board of Directors made pursuant to S.295(5) of the Corporations Act 2001. On behalf of the Directors:

Dr Ian E Dixon
Managing Director
Exopharm Limited

Mr Jason Watson
Chairman
Exopharm Limited

Dated this 26 August 2020

William Buck

Exopharm Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Exopharm Limited. (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) 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 Company 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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.

ACCOUNTANTS & ADVISORS
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Telephone: +61 3 9824 8555
williambuck.com

William Buck

RELATED PARTY TRANSACTIONS	
Area of focus **Refer also to Remuneration report on pages 18 to 24 and Note 16**	**How our audit addressed it**
The Company conducted material related party transactions with entities where key management personnel have interests and/or are directors. As such, there is a risk that not all related party transactions are disclosed in the financial report or that related party transactions have been made on non-arm's length basis. This could result in insufficient information being provided in order to enable the reader to understand the nature and effect of the various related party relationships and transactions.	Our audit procedures included: — Assessment of the Company's controls to identify and disclose related party transactions and transactions in accordance with the relevant accounting standards and the *Corporations Act 2001*; — Comparing the list of related parties provided by the directors with internal sources; — Conducting an ASIC search for external directorships held by the Board members to evaluate whether all related party relationships and transactions had been appropriately identified and disclosed; and — Assessed whether related party transactions were conducted at arms-length by comparing the basis of the transactions to external sources. For each class of related party transaction, we compared the financial statement disclosures against the underlying transactions and the accounting and *Corporations Act 2001* requirements
CARRYING VALUE OF INTANGIBLES	
Area of focus **Note 12**	**How our audit addressed it**
Valuation, capitalisation and impairment testing of the original licenced asset and the intellectual property asset acquired during the year required critical estimations and judgements of those charged with governance to accurately account for the intangible assets of the company.	Our audit procedures included: — Assessed whether intangible assets were eligible for capitalisation by reviewing the term and condition of the IP contract as well as the nature of the asset. — Assessed impairment indicators of intangible assets not yet ready for use and the recoverability of the asset continue to meet the requirements of AASB 138 Intangible Assets. We also assessed the adequacy of the Group's financial statement disclosures.

GOING CONCERN	
Area of focus **Note 15 (f)**	**How our audit addressed it**
The financial statements have been prepared on a going concern basis and as outlined in the financial instruments note 15(f) which considers capital risk management, equity raisings are a key focus of the Group in order to fully execute its business plans in the short to medium term. Historically, the Group, in accordance with its business plans, has invested in research and development expenditure to develop its intellectual property and programs which has resulted in significant accumulated losses. Accumulated losses reported in the Statement of Financial Position were stated at $7.74m, as at 30 June 2020. The going concern basis assumption is a key audit matter as the Group will continue to rely upon a consistent equity raising strategy to progress the objectives of the business plans of the Group.	Our audit procedures included: — Assessed the cash flow requirements of the Company over 15 months from 30 June 2020 based on budgets and forecasts. — Understanding what forecast expenditure is committed and what could be considered discretionary. — Considering the liquidity of existing assets on the balance sheet. — Examined detailed advice and analysis from directors in respect of the capital raising alternatives available to the Group and being considered to enable the business plans of the Group to be fully executed in the short to medium term. — Considered potential downside scenarios and the resultant impact on available funds. We also assessed the adequacy of the Group's financial statement disclosures.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2020 but does not include the financial report and the 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Exopharm Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J. C. Luckins
Director

Dated the 26th day of August 2020

ADDITIONAL SECURITIES INFORMATION

SHAREHOLDER INFORMATION

The security holder information set out below was applicable as at 24 August 2020 unless stated.

There is one class of quoted securities, fully paid ordinary shares.

1.) Quoted Securities – Fully Paid Ordinary Shares

a) Distribution of Security Number

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 - 1,000	31	12,952
1,001 – 5,000	184	567,804
5,001 – 10,000	173	1,520,299
10,001 – 100,000	561	22,715,798
100,001 and over	156	70,655,147
Total	1,105	95,472,000

There are 1,105 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

b) Marketable Parcel

There are 54 shareholders with less than a marketable parcel (basis price $0.295) as at 24 August 2020.

c) Voting Rights

On a show of hands every person present who is a member or proxy, attorney or representative of a member has one vote and upon a poll every person present who is a member or proxy, attorney or representative of a member shall have one vote for each share held.

d) Substantial Shareholders

There was one substantial shareholder listed on the Companies register as at 30 June 2020, being:

Altnia Holdings Pty Ltd <Dixon Family A/C> (a related party of Dr Ian Dixon) held 27,935,294 fully paid ordinary shares, being 29.33% of the fully paid ordinary shares on issue.

e) On-Market Buy-back

There is no on-market buy-back scheme in operation for the Company's quoted shares.

ADDITIONAL SECURITIES INFORMATION (continued)

SHAREHOLDER INFORMATION (continued)

f) Top 20 Security Holders

The names of the twenty largest holders of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each holds is as follows:

Number	Holder Name	Holding	% Held
1	ALTNIA HOLDINGS PTY LTD <DIXON FAMILY A/C>	27,975,294	29.30%
2	MR MICHAEL FRANCIS MCMAHON & MRS SUSAN LESLEY MCMAHON <MCMAHON SUPER FUND A/C>	2,276,849	2.38%
3	OLDVIEW ENTERPRISES PTY LTD <THE PRIESTLEY A/C>	1,432,585	1.50%
4	KOHEN ENTERPRISES PTY LTD	1,350,000	1.41%
5	ANTHONY JOHN LOCANTRO	1,330,000	1.39%
6	PHYTOSE CORPORATION PTY LIMITED <BOUNDARYONE SUPER A/C>	1,176,471	1.23%
7	CARDA PTY LTD <CARDA SUPER FUND A/C>	1,170,000	1.23%
8	MRS ANNA FELICIA BELTON	1,023,334	1.07%
9	ZESSHAM PTY LTD <ZESSHAM A/C>	950,000	1.00%
10	ACNS CAPITAL MARKETS PTY LTD	800,000	0.84%
11	DRP 2006 SUPER PTY LTD <DRP (2006) SUPER FUND A/C>	760,000	0.80%
12	SAINTLY COMPANY PTY LTD <WALKER INVESTMENT A/C>	636,000	0.67%
13	KYRIACO BARBER PTY LTD	635,000	0.67%
14	MR JOHN GARDNER	600,271	0.63%
15	GREGOR LICHTFUSS	588,235	0.62%
16	JECCS PTY LTD <BROWN FAMILY NO1 A/C>	545,000	0.57%
17	MR WAYNE JOHN HOGAN & MRS ANGELA PATRICE HOGAN <THE HOGAN FAMILY A/C>	500,000	0.52%
18	RINGSFORD PTY LTD <DG & GL WALKER S/F A/C>	500,000	0.52%
19	MR ANDREW STEWART COLES & MS ALEXANDRA CONSTANCE MANOOK <COLES FAMILY SUPER A/C>	475,000	0.50%
20	AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	460,000	0.48%
	Total	**45,184,039**	**47.33%**
	Total issued capital – Fully paid ordinary shares	**95,472,000**	**100.00%**

ADDITIONAL SECURITIES INFORMATION (continued)

OTHER ASX INFORMATION

1. Corporate Governance

The Company's Corporate Governance Statement as at 30 June 2020 as approved by the Board can be viewed at www.exopharm.com/investors/corporate-compliance.

2. Stock Exchange on which the Company's Securities are Quoted

The Company's listed equity securities are quoted on the Australian Stock Exchange.

3. Review of Operations

A review of operations is contained in the Directors' Report.

4. Consistency with Business Objectives – ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business of objective is primarily research and development of biopharmaceutical drugs.

The Company believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 6 November 2018.

5. Restricted Securities

As at 24 August 2020, the Company has the following restricted securities:

Class	Number Escrowed	Date Escrow Period Ends
Fully Paid Ordinary Shares (FPOS) comprising:		
35,661,570 FPOS issued on various dates	35,661,570	18 December 2020 (24 months from official quotation)
Total FPOS escrowed	**35,661,570**	