Starpharma Holdings Limited

ABN 20 078 532 180

Appendix 4E: Preliminary Financial Report
Year ended 30 June 2022

Lodged with the ASX under Listing Rule 4.3A
Previous corresponding period (pcp): Year ended 30 June 2021

Results for announcement to the market

				$'000
Revenue from continuing operations *(Appendix 4E item 2.1)*	Up	128%	to	**$4,899**
Loss from continuing operations after tax attributable to members *(Appendix 4E item 2.2)*	Down *(decrease)*	18%	to	**$16,154**
Loss for the period attributable to members *(Appendix 4E item 2.3)*	Down *(decrease)*	18%	to	**$16,154**

Dividends *(Appendix 4E items 2.4 and 2.5)*

No dividends have been paid or declared by the entity since the beginning of the current reporting period. No dividends were paid for the previous corresponding period. No record date for determining entitlements to dividends has been declared.

Explanation of Revenue *(Appendix 4E item 2.6)*

Revenue of $4,899,000 (2021: $2,151,000) for the year includes $4,682,000 for VIRALEZE™ and VivaGel® product sales, royalty and research revenue from commercial partners. Interest income on cash invested of $217,000 (2021: $353,000) is also included. The increase in revenue reflects the rollout of VIRALEZE™ to new markets, including Vietnam and Italy.

For further details, refer to the Annual Report which follows this announcement.

Explanation of Loss *(Appendix 4E item 2.6)*

The loss after tax is $16,154,000 (2021: $19,732,000 loss) includes expensing all research and development expenditure and intellectual property costs across the portfolio. The decreased loss compared to the prior year reflects the combination of higher sales and partner revenue, and lower R&D expenditure for VIRALEZE™ development and the stage and progression of DEP® internal clinical programs; offset by lower grant funding. The reduced loss is also due to a favourable foreign exchange movement of $940,000 compared to the prior year, primarily on foreign currency held.

For further details, refer to the Annual Report which follows this announcement.

Financial Statements *(Appendix 4E items 3, 4 and 5)*

Refer to the Annual Report which follows this announcement.

Retained Earnings / Accumulated Losses *(Appendix 4E item 6)*

Refer to note 18 in the Annual Report which follows this announcement.

Net Tangible Asset Backing *(Appendix 4E item 9)*

Net tangible asset (NTA) backing per ordinary share at 30 June 2022 is $0.12 (2021: $0.15).

Other Significant Information *(Appendix 4E item 12)*

Refer to the Annual Report which follows this announcement.

Commentary on Results *(Appendix 4E item 14)*

Refer to the Annual Report which follows this announcement, including the Operating and Financial Review in the Directors' Report.

Audit *(Appendix 4E item 15 to 17)*

The audit of the financial statements and notes has been completed and the Auditors' Report to members is contained in the Annual Report which follows this announcement. The above NTA backing calculation is considered a non-IFRS value and has not been audited or reviewed in accordance with Australian Accounting Standards.

Appendix 4E items 7, 8, 10, 11, and 13 are not applicable.

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ASX Announcement

Starpharma annual report and full year financial results

Melbourne, Australia; 25 August 2022: Starpharma (ASX: SPL, OTCQX: SPHRY) today released its annual report and financial results for the year ended 30 June 2022.

Financial Results

- Strong cash position with a balance of $49.9M as at 30 June 2022
- Revenue up 128% to $4.9M (FY21: $2.2M) on the rollout of VIRALEZE™
- Reported loss down 18% to $16.2M (FY21: $19.7M)
- Receipt of $7.7M R&D tax incentive

Highlights

- Two new DEP® partnerships with leading, global pharmaceutical companies, Genentech and Merck & Co., Inc.
- Sales of VIRALEZE™ have significantly increased in FY22, following new product launches in Vietnam and Italy and relaunch in the UK by LloydsPharmacy
- Positive interim efficacy findings reported in the prostate cancer cohort of the Phase 2 DEP® cabazitaxel trial showing efficacy signals in 100% of evaluable patients
- Three clinical-stage internal DEP® oncology assets advancing well, with encouraging efficacy signals observed
- AstraZeneca's partnered DEP® product, AZD0466: additional indication (non-Hodgkin's lymphoma) added and recruitment initiated in a global Phase 1/2 clinical trial; additional trial sites opened for the initial Phase 1/2 leukemia trial
- VIRALEZE™ demonstrated high levels of protection against Omicron in an *in vivo* challenge model as well as impressive antiviral effects against influenza in laboratory studies and outperformed other antiviral agents used in marketed nasal sprays

Starpharma CEO, Dr Jackie Fairley, commented on the full year results:

"Starpharma has achieved many significant milestones across our business during FY22, including significant increases in revenue and the execution of new and valuable corporate partnerships, despite the ongoing challenges presented by the global pandemic.

"Starpharma was very pleased to sign two new DEP® partnerships with leading, global companies – Genentech and Merck & Co., Inc – while our most advanced partner, AstraZeneca, further expanded the global clinical program for their DEP® product, AZD0466, adding a new cancer type (non-Hodgkin's lymphoma) and significantly increasing the number of trial sites worldwide. These new AZD0466 developments are particularly exciting for Starpharma, given the expanded market potential, and together with our new DEP® partnerships, signify the growing momentum and value in our DEP® platform.

"During the year, Starpharma's internal DEP® products continued to yield impressive responses in our Phase 2 oncology trials, including significant tumour shrinkage and stable disease in some of the most common and deadly cancers. We were pleased to report the positive interim findings from the prostate cancer cohort of Starpharma's DEP® cabazitaxel trial in which efficacy signals were observed in all evaluable patients treated with our DEP® version of the leading prostate cancer drug cabazitaxel.

"Starpharma's marketed products have reached more people this year than ever before, with sales of VIRALEZE™ significantly increasing following successful product launches in Vietnam and Italy, and relaunch in the UK through LloydsPharmacy. In parallel with commercial activities for VIRALEZE™, we have continued to test the efficacy of SPL7013, the antiviral agent in VIRALEZE™, against important respiratory viruses, including multiple variants of SARS-CoV-2 and influenza. SPL7013 has demonstrated consistent potent activity against a broad spectrum of respiratory viruses and has outperformed other marketed products when tested head-to-head.

"Looking ahead, Starpharma is well positioned for growth, with a strong balance sheet, growing sales revenue, an expanding portfolio of DEP® products and valuable corporate DEP® partnerships. Starpharma continues to champion its Environment, Social and Governance (ESG) pillars by creating important products that have the potential to make a significant contribution to the health and wellbeing of patients around the world."

Key activities

Partnered DEP® Programs

Signed and commenced a second DEP® Research Agreement with MSD (**Merck & Co., Inc.**), building on our DEP® partnership in the innovative and valuable research area of antibody drug conjugates (ADCs).

Signed and commenced an exploratory DEP® Research Agreement with **Genentech**, which was expanded within six months of the initial agreement to include an additional DEP® program.

Under Starpharma's DEP® licence with **AstraZeneca**, the global clinical program for **AZD0466** continued to advance with multiple new sites opening and commencement of a new clinical trial in an additional cancer type – non-Hodgkin's lymphoma (NHL).

Starpharma also continued to progress its DEP® program with **Chase Sun**, which involves the development of a DEP® anti-infective product for Chase Sun.

Starpharma continues to pursue further partnering opportunities for its DEP® drug delivery platform and active commercial discussions are underway in a number of research areas including DEP® radiotheranostics.

Internal DEP® Programs

Starpharma's Phase 2 clinical trial of **DEP® cabazitaxel** continues to recruit well with 70 patients enrolled to date. During the year, Starpharma reported positive interim findings from the prostate cancer cohort of this trial, where 100% of evaluable patients treated with DEP® cabazitaxel demonstrated one or more efficacy signals. This trial continues recruitment of patients with ovarian and gastroesophageal cancers, following observation of encouraging efficacy signals in these tumour types, thereby expanding the market potential for DEP® cabazitaxel.

The **DEP® irinotecan** Phase 2 clinical trial continues to progress well, with 83 patients now enrolled. Efficacy signals including prolonged tumour shrinkage and reductions in tumour markers have been observed in multiple tumour types, including colorectal, breast, ovarian, pancreatic, lung, and oesophageal cancers. Enrolment of patients in the combination arm for DEP® irinotecan in combination with 5-FU + leucovorin (a commonly used combination treatment regimen in colorectal cancer) has now commenced.

The clinical program for **DEP® docetaxel** has enrolled 72 patients to date across the monotherapy and combination arms. Encouraging efficacy signals such as prolonged stable disease and significant tumour shrinkage have been observed in heavily pre-treated patients with lung, pancreatic, oesophageal, cholangiocarcinoma and gastric cancers.

Manufacture of **DEP® gemcitabine** is now complete in readiness for Starpharma to commence a Phase 1/2 clinical trial, with planned clinical trial sites in the UK and Australia. Preparations for trial commencement are well advanced, with the clinical research organisation and site selection processes, regulatory and ethics preparations nearing completion.

Starpharma also continues to deepen its pipeline of DEP® assets by actively progressing a number of its own internal programs in areas including **DEP® radiotheranostics** and **DEP® ADC**s.

Marketed Products

Starpharma signed sales and distribution arrangements for **VIRALEZE™ broad-spectrum antiviral nasal spray** with commercial partners in Italy (ADMENTA Italia Group) and Vietnam (Health Co), and an agreement with Etqan & Nazahah for nine countries in the Middle East.

VIRALEZE™ was launched in Vietnam and Italy and relaunched in the UK through LloydsPharmacy.

Starpharma continued its scientific collaboration with The Scripps Research Institute to test VIRALEZE™ and SPL7013 against a range of respiratory viruses, including multiple variants of SARS-CoV-2[1] (Omicron and Delta) and influenza.

VIRALEZE™ demonstrated excellent protection against infection with the highly transmissible SARS-CoV-2 Omicron variant in a stringent *in vivo* viral challenge model[2]. These *in vivo* findings build on the *in vitro* findings reported by Starpharma earlier in the financial year, which showed that VIRALEZE™ achieved the maximal possible reduction of virus infectivity against the Omicron variant of SARS-CoV-2 in laboratory-based antiviral and virucidal assays.

The broad-spectrum activity of VIRALEZE™ was further demonstrated with impressive results for SPL7013, in VIRALEZE™, against influenza A and B. SPL7013 achieved more than 90% reduction in viral infectivity of both influenza A and B viruses within one minute. SPL7013 also demonstrated irreversible virucidal properties against both types of influenza virus and outperformed other antiviral agents used in marketed nasal sprays.

VIRALEZE™ is registered in more than 30 countries and is available in pharmacies, retail outlets and online in a number of countries. Sales of VIRALEZE™ have significantly increased in FY22.

Starpharma continued to pursue registration and commercialisation for VIRALEZE™ in multiple other countries, with regulatory submissions in progress and active commercial discussions underway. In Australia, the review by the TGA for the nasal spray application as a medical device is ongoing.

Regulatory approvals for **VivaGel® BV** were achieved in the Middle Eastern countries, Bahrain and Qatar, and pre-launch marketing activities have commenced. Starpharma's marketing partner, **Mundipharma**, is also progressing further launches of VivaGel® BV in Asia and registrations in other countries across Asia and the Middle East.

[1] SARS-CoV-2 is the virus that causes COVID-19
[2] The study used the K18-hACE2 mouse model, which is an in vivo humanised mouse model that expresses the human angiotensin converting enzyme (hACE2) receptor, the receptor used by SARS-CoV-2 to infect cells in the human nasal cavity and respiratory tract.

An important publication for VivaGel® BV was achieved in the highly regarded peer-reviewed European journal, *Archives of Gynecology & Obstetrics*. This publication will support marketing activities and importantly, the inclusion of the product in clinical management guidelines for BV.

Starpharma's partner, **Okamoto**, launched a new VivaGel® condom range in Japan, under the brand name *Pure Marguerite*. The range is being distributed through major retail chains in Japan. Okamoto has also commenced regulatory processes for the VivaGel® condom in additional countries in Asia.

Corporate

Ms Lynda Cheng was appointed as an independent non-executive director on 1 August 2021. Ms Cheng has more than 25 years of experience as a finance executive including more than 15 years at Visy Industries/Pratt Holdings and 10 years in investment banking.

Dr Jeff Davies, former CSL executive, was appointed as an independent non-executive director on 1 April 2022, bringing over 35 years of biopharmaceutical industry experience to Starpharma's Board.

Financials

Starpharma concluded FY22 in a strong financial position with a cash balance $49.9 million. Net operating cash outflows for the year were $13.2 million (FY21: $14.8 million). Receipts from customers and grants totalled $13.0 million, including receipts from customers of $4.8 million (FY21: $2.4 million) and R&D tax incentive of $7.7 million.

Revenue was up 128% to $4.9 million for the year, with $4.7 million for VIRALEZE™ and VivaGel® product sales, royalty, and research revenue from commercial partners. Interest income was $0.2 million for the year. Other income of $0.3 million, consisted of grant funding awarded by the Australian Government's Medical Research Future Fund to expedite development and commercialisation of VIRALEZE™ (FY21: $0.9 million).

The loss after tax of $16.2 million (FY21: $19.7 million) includes expensing of all research and development expenditure and IP costs across the portfolio. The decreased loss compared to the prior year reflects the combination of higher sales and partner revenue and lower R&D expenditure due to the completion of VIRALEZE™ development and the stage and progression of DEP® internal clinical programs. The reduced loss reflects a favourable foreign exchange movement of $0.9 million over the prior year, primarily on foreign currency held.

About Starpharma

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) is a global biopharmaceutical company and a world leader in the development of new pharmaceutical and medical products based on proprietary polymers called dendrimers, with programs for DEP® drug delivery, respiratory viruses and VivaGel®. Starpharma has developed VIRALEZE™, an antiviral nasal spray that is registered for sale in >30 countries, and available outside Australia in certain markets online. VIRALEZE™ is not approved for sale or supply in Australia. SPL7013 is utilised in approved products - the VivaGel® condom and VivaGel® BV. VivaGel® products have been licensed in >160 countries, are registered in >45 countries and available for sale in the UK, Europe, Japan, Southeast Asia, South Africa, Australia and New Zealand.

As a leading company in dendrimer-based drug delivery, Starpharma's proprietary drug delivery platform technology, DEP®, is being used to improve pharmaceuticals, to reduce toxicities and enhance their performance. There are numerous internal and partnered programs underway to develop DEP® versions of existing drugs, particularly in the area of anti-cancer therapies. DEP® partnerships include oncology programs with AstraZeneca, with Merck & Co., Inc., in the area of Antibody Drug Conjugates (ADCs), with Chase Sun in the area of anti-infectives and other world leading pharmaceutical companies. Starpharma's partnered DEP® programs have the potential to generate significant future milestones and royalties.

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Disclosure
This ASX Announcement was authorised for release by the Board of Directors.

Forward Looking Statements
This document contains certain forward-looking statements, relating to Starpharma's business, which can be identified by the use of forward-looking terminology such as "promising", "plans", "anticipated", "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to", "potential", "seeking to", "goal", "could provide", "intends", "is being developed", "could be", "on track", "outlook", or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected trial results, including additional analysis of existing data, and new data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Starpharma is providing this information as of the date of this document and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise. Clinical case studies and other clinical information given in this document are given for illustrative purposes only and are not necessarily a guide to product performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of future results. Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of any Starpharma product.

Annual Report 2022

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2021/22 Highlights

- Strong cash position with a balance of $49.9 million as at 30 June 2022
- Expanding portfolio of DEP® partnerships with leading pharmaceutical companies, including AstraZeneca, Genentech and Merck & Co., Inc.
- New and expanded DEP® Research Agreement with Genentech
- Revenue up 128% from FY21 reflecting the further rollout of VIRALEZE™
- New VIRALEZE™ product launches in Vietnam and Italy and relaunch by LloydsPharmacy in the UK
- VIRALEZE™ agent (SPL7013) outperforms other antiviral agents, iota-carrageenan and HPMC, against influenza A and B
- Receipt of $7.7 million R&D tax incentive refund in January 2022
- Positive interim efficacy findings from the prostate cancer cohort of the Phase 2 DEP® cabazitaxel trial showing efficacy signals in 100% of evaluable patients
- Recruitment initiated for the 2nd global Phase 1/2 clinical trial of Starpharma and AstraZeneca's partnered DEP® product, AZD0466, in patients with non-Hodgkin's lymphoma
- Three promising clinical-stage internal DEP® oncology assets
- New DEP® Research Agreement with Merck & Co., Inc., involving antibody drug conjugates
- Additional trial sites opened for AstraZeneca's global Phase 1/2 clinical trial of DEP® AZD0466 in patients with advanced haematological malignancies
- VIRALEZE™ agent (SPL7013) confirmed to be virucidal against influenza A and B
- VIRALEZE™ sales and distribution arrangements signed for Italy, Vietnam and the Middle East
- VIRALEZE™ demonstrates high levels of protection against Omicron in an *in vivo* viral challenge model
- DEP® drug delivery platform showcased at Novel Format Conjugates Summit in Boston
- Highly experienced former CSL executive, Dr Jeff Davies, joins Starpharma's Board
- US patent issued for DEP® cabazitaxel
- DEP® gemcitabine advancing through preclinical in preparation for a Phase 1/2 clinical study
- VIRALEZE™ registered in more than 30 countries
- VivaGel® BV regulatory approvals achieved in Middle Eastern countries
- New VivaGel® condom range launched in Japan by Okamoto

Chairman's Letter

On behalf of the Board, I am delighted to present our 2022 Annual Report.

I would like to start by acknowledging the continuing support of our shareholders, customers and business partners through these very challenging times. While there has been widespread pressure on share prices across our sector, including that of Starpharma, this belies the steady progress made by the company during FY22 to advance our wide range of programs. Importantly, Starpharma finished the year with net cash of $49.9 million.

I also want to acknowledge the commitment of our staff and management team, led by Dr Jackie Fairley, through this difficult period, which was still impacted by the COVID-19 pandemic.

FY22 was another busy year for Starpharma as we signed two significant new partner agreements for our dendrimer enhanced product (DEP®) drug delivery platform, advanced our internal DEP® programs, and continued to increase our global footprint for the sale of our consumer products, including our broad-spectrum antiviral nasal spray VIRALEZE™.

Pivotal to our longer-term future is the new DEP® agreements we have in place with some of the world's largest pharmaceutical companies. Starpharma now has DEP® partnerships with three of the top 10 global pharmaceutical companies.

Starpharma's growing portfolio of partnerships with leading pharmaceutical companies is built on our proprietary cutting-edge DEP® platform, which has the potential to create life-changing products for many cancer patients.

It is important to note that our nanotechnology dendrimer delivery platform can be applied to a wide range of therapeutic areas, including chemotherapy, immunotherapy and radiotheranostics.

Recently, in August 2022, we signed a second DEP® Research Agreement with MSD (Merck & Co., Inc.), involving DEP® antibody drug conjugates, following a successful initial agreement signed with them in early 2021.

We were also delighted to begin a new research collaboration with Genentech, part of the Roche Group, initially focusing on the evaluation of DEP® drug conjugates. We were pleased to expand this research agreement just prior to the end of the financial year to add an additional DEP® program.

These positive and rapid developments for our partnered DEP® programs signal the growing interest in the benefits and value afforded by our DEP® technology.

This year, it was really exciting to see AstraZeneca further expand its clinical program for its novel anti-cancer DEP® drug, AZD0466. This drug is now being progressed through two global multi-centre Phase 1/2 trials in patients with certain blood cancers. The addition of a new indication (non-Hodgkin's lymphoma) in this clinical program is excellent news for Starpharma given the expanded market potential, and importantly, the ability to help more patients who are suffering from these difficult to treat cancers.

Our internal DEP® programs have continued to advance, with recruitment picking up again for our multiple clinical-stage oncology assets, following some COVID-19 related delays. We have seen impressive patient responses in our Phase 2 clinical trials, such as significant tumour shrinkage (e.g., partial response), reductions in tumour marker levels and long-standing stable disease, in cases of prostate, ovarian, lung, stomach, oesophageal, colorectal, pancreatic and breast cancers.

The team was very pleased to report the interim findings for DEP® cabazitaxel from the prostate cancer cohort of our Phase 2 trial. Prostate cancer is the second most common cancer diagnosed in men worldwide and a leading cause of death. Our interim findings showed that 100% of patients assessed for efficacy following treatment with DEP® cabazitaxel demonstrated one or more efficacy signals and clinical benefit.

Starpharma has also continued to deepen its internal pipeline of DEP® assets, exploring and developing new candidates in the innovative and valuable research areas of radiotheranostics and antibody drug conjugates.

We look forward to sharing further results for our internal DEP® products.

In parallel with our partnered and internal DEP® drug delivery programs in oncology, Starpharma has increased the commercialisation of its consumer products, including VIRALEZE™, in collaboration with its marketing and distribution partners. These products are based on our patented dendrimer, SPL7013, which has demonstrated potent antiviral and antibacterial activity against a variety of infectious pathogens and is supported by numerous clinical trials and scientific publications.

Sales of VIRALEZE™ – a broad spectrum antiviral nasal spray developed by our team as the COVID-19 pandemic emerged – have continued to increase, as has the number of countries where the product is registered and sold (now over 30 countries).

In close collaboration with The Scripps Research Institute in the US, Starpharma has continued to undertake antiviral testing of VIRALEZE™ and SPL7013. Importantly, VIRALEZE™ has demonstrated consistent and increasingly broad-spectrum results across a range of key respiratory viruses, including multiple variants of SARS-CoV-2 (Omicron and Delta), influenza and RSV, highlighting its value in seasonal flu outbreaks as well as future pandemic preparedness. The broad-spectrum activity, excellent stability and room temperature storage are all significant advantages of VIRALEZE™, particularly as the world transitions to living with COVID-19.

FY22 also saw two board changes for Starpharma with Lynda Cheng and Dr Jeff Davies joining. Ms Cheng has extensive experience as a finance executive and Dr Davies, a former CSL executive, brings a wealth of biopharmaceutical experience.

I would like to thank Ms Cheng, Dr Davies and the rest of my fellow board members for all their work and support in FY22.

I would also like to reiterate the valuable contribution of our CEO, Dr Fairley, as well as that of the executive management team, to the company.

Our business remains strong and FY22 has provided us with a great platform for the commercial opportunities before us in FY23 and beyond.

We continue to champion our Environment, Social and Governance (ESG) pillars by creating important products with the potential to be life-changing and make a significant contribution to the health and wellbeing of millions around the world. That contribution is something we should all be very proud of.

Yours sincerely,

Rob Thomas, *AO*
Starpharma Chairman

CEO's Report

Dr Jackie Fairley, Chief Executive Officer

2022 has proved to be another exciting year for Starpharma and I am very pleased to report on our significant achievements over the past 12 months.

Starpharma is well positioned and funded for growth, with a cash balance of $49.9 million (at 30 June 2022) and an increasingly diverse and growing product and partner portfolio. We continue to expand the company's commercial footprint in more international markets and to explore short- and long-term opportunities for the development of new and innovative products using our proprietary dendrimer technology.

Our DEP® products continue to demonstrate impressive responses in Phase 2 trials, including significant tumour shrinkage and stable disease, in some of the most common and deadly cancers. We were pleased to report the positive interim findings from the prostate cancer cohort of our DEP® cabazitaxel trial in which efficacy signals were observed in all evaluable patients treated with our DEP® version of the leading prostate cancer drug cabazitaxel. Efficacy signals included prolonged stable disease, tumour shrinkage and significant reductions in tumour biomarker levels, and improvements in bone disease. These positive findings were particularly encouraging given that all patients in this trial cohort had late-stage prostate cancer and had failed multiple other therapies, including taxanes, before entering our study. We look forward to sharing further updates on this trial.

Our other internal DEP® drug candidates in Phase 2 – DEP® docetaxel and DEP® irinotecan – have continued to recruit and progress well through their clinical trials. We are seeing encouraging responses in patients and are receiving positive feedback from clinicians in a range of cancers.

Alongside these programs, the addition of new and exciting DEP® partnerships with leading, global pharmaceutical companies demonstrates the growing momentum and value in our DEP® platform. Starpharma signed a DEP® Research Agreement with Genentech, part of the Roche Group, in December 2021, and within six months, this agreement was expanded to include an additional DEP® program evaluating further compounds using our DEP® technology. More recently, we also signed a second DEP® Research Agreement with Merck & Co., Inc., further building on our partnership with them in the innovative and valuable area of antibody drug conjugates.

Our expanding DEP® partnerships with these and other leading pharmaceutical companies, like AstraZeneca, illustrate the utility and optionality of Starpharma's novel drug delivery platform.

Our existing DEP® partner, AstraZeneca, continued to progress its novel DEP® product, AZD0466, through clinical development. AZD0466, a highly novel Bcl2/xL inhibitor, is being trialled by AstraZeneca in patients with advanced blood cancers as part of a global clinical program, which was expanded during the year to include a new indication. These resistant/refractory blood cancers are difficult to treat and AZD0466 represents both an important therapeutic option for patients and a significant commercial opportunity for AstraZeneca and Starpharma.

We now have DEP® partnerships with several of the world's largest pharmaceutical companies, including AstraZeneca, Genentech, and Merck & Co., Inc. These companies are highly regarded as industry leaders and our partnerships with them further validate our DEP® technology and the work we are doing in the exciting and dynamic oncology space.

Meanwhile, our marketed products have reached more people this year than ever before, with revenues significantly increasing.

During the year, VIRALEZE™ was launched in Vietnam and Italy, and sales resumed at LloydsPharmacy in the UK following the successful resolution of queries raised by the MHRA. The product is now registered in more than 30 countries and Starpharma continues to expand its availability and partnerships around the world. In parallel with commercial activities for VIRALEZE™, we have continued to test the efficacy of SPL7013, the agent in VIRALEZE™, against important respiratory viruses, including multiple variants of SARS-CoV-2 and influenza. SPL7013 has demonstrated consistent, potent activity against a broad spectrum of respiratory viruses and has outperformed other marketed products when tested head-to-head.

Our VivaGel® BV product is now registered in more than 45 countries and is sold under different brand names in the UK, Europe, Southeast Asia, South Africa, Australia and New Zealand. New product launches are planned, including in Asia later this calendar year. Importantly, VivaGel® BV also featured in a highly regarded peer-reviewed European journal this year, which will further support marketing activities and its inclusion in clinical management guidelines for BV.

I hope you enjoy reading about Starpharma's progress in this report.

Starpharma has a deep portfolio of high-value products on market, clinical-stage assets and external partnerships with leading, global companies

Improving medicines for patients through better drug delivery

Dendrimer Enhanced Products (DEP®)

Anti-cancer therapies with fewer side effects and improved effectiveness – this is what Starpharma's novel drug delivery platform is aimed at providing, and not only for cancer treatments, but for drugs that treat a range of medical conditions.

Starpharma's dendrimers can enhance the properties of existing and novel drugs by reducing toxicities, hence the name "Dendrimer Enhanced Products" or "DEP". Our drug delivery technology is based on precise nanoscale particles called dendrimers, which can deliver therapeutic drugs to target tissues in a controlled manner, providing enhanced patient benefits.

Using our DEP® technology to enhance and control drug delivery has the potential to offer multiple commercial and therapeutic benefits, including:

- Reduced side effects compared to the original formulation of drugs
- Extended duration of therapeutic activity inside the body
- Selective targeting of drugs to organs, tissues or molecular receptors
- Improved solubility
- Greater flexibility in a wide range of therapeutic areas
- Multiple revenue streams and potential for new intellectual property (IP) / patent extensions

Starpharma's DEP® technology offers a broad range of clinical applications and commercial opportunities. Starpharma has internal and partnered DEP® programs in multiple therapeutic areas, including oncology/chemotherapy, radiotheranostics, antibody drug conjugates and other therapeutic areas.

Internal DEP® products	Preclinical	Phase 1	Phase 2
DEP® cabazitaxel			
DEP® irinotecan			
DEP® docetaxel			
DEP® gemcitabine		*Phase 1/2 clinical program expected to commence shortly*	
DEP® radiotheranostics			
DEP® antibody drug conjugates			
DEP® non-oncology			

Internal Clinical-Stage DEP® Programs – Oncology/Chemotherapy

Starpharma has three internal oncology assets in international Phase 2 clinical trials, which are investigating the use of our novel DEP® products as treatments for multiple cancers, including prostate, ovarian, pancreatic, colorectal, and oesophageal cancers. The three DEP® chemotherapeutic agents, currently in clinical trials, are DEP® irinotecan, DEP® docetaxel and DEP® cabazitaxel.

DEP® irinotecan (Phase 2)

DEP® irinotecan is an improved version of conventional irinotecan, which in its standard form is predominantly used to treat colorectal cancer, despite having multiple US FDA "Black Box" warnings.

Starpharma's Phase 2 trial of DEP® irinotecan has continued to make good progress in the past 12 months, with 83 patients recruited to date. Encouraging efficacy signals including prolonged stable disease, impressive tumour shrinkage and reductions in tumour marker levels have been observed in a number of cancer types, including breast, colorectal, ovarian, pancreatic, lung and oesophageal cancers as well as a notable absence of some severe, dose limiting toxicities often experienced with irinotecan.

DEP® irinotecan + 5-FU (combination arm)

In parallel with the Phase 2 monotherapy trial of DEP® irinotecan, Starpharma is progressing a combination arm that will explore the use of DEP® irinotecan in combination with 5-FU + leucovorin – a commonly used treatment regimen in colorectal cancer. Enrolment of patients in this combination arm of the study has now commenced. It is not expected that this combination arm will delay completion of the monotherapy component of the trial.

DEP® docetaxel (Phase 2)

DEP® docetaxel is a dendrimer version of the conventional drug formulation of docetaxel, which is widely used to treat breast, lung and prostate cancers.

Starpharma's clinical program for DEP® docetaxel continued to advance this year, with 72 patients recruited to date across the monotherapy and combination arms. During the trial, we have observed encouraging efficacy signals in patients suffering from lung, pancreatic, oesophageal, cholangiocarcinoma, gastric cancers, and other cancers.

Clinical information and clinical case studies given in this document are given for illustrative purposes only and are not necessarily a guide to product performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of future results. Nothing contained in this document, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of any Starpharma product.

CEO's Report

100% of evaluable prostate cancer patients treated with DEP® cabazitaxel demonstrated one or more efficacy signals

DEP® cabazitaxel (Phase 2)

DEP® cabazitaxel is a dendrimer enhanced formulation of the leading prostate cancer drug, cabazitaxel, originally developed by Sanofi and marketed as Jevtana®. Starpharma's DEP® cabazitaxel has the advantage of being a detergent-free formulation, which means that patients are not required to take steroids and antihistamines prior to treatment to avoid/minimise potential anaphylaxis. DEP® cabazitaxel has been designed to improve the safety profile of standard cabazitaxel formulations, while also enhancing its tumour-targeting capabilities to improve efficacy.

Starpharma is currently advancing DEP® cabazitaxel through a Phase 2 clinical trial in patients with prostate, ovarian and gastro-oesophageal cancers. 70 patients have been recruited into this trial to date.

In November 2021, Starpharma reported positive interim findings from the prostate cancer cohort of this Phase 2 trial. A summary of the patient cohort and interim findings are detailed below.

Prostate Cancer Patient Cohort

The Phase 2 trial enrolled twenty five heavily pre-treated patients with an average age of 73 years suffering from stage IV hormone-refractory prostate cancer.

Prostate cancer is the second most common cancer in males worldwide, and now the most common cancer diagnosed in Australia.

- Trial participants had received an average of four prior anti-cancer regimens, and more than 70 cycles/months before entering the study
- More than 95% of patients treated with DEP® cabazitaxel had previously received taxanes (conventional docetaxel and standard cabazitaxel)

Since DEP® cabazitaxel is a detergent-free formulation, the patients did not need to take prophylactic steroids or antihistamines before being administered with DEP® cabazitaxel.

Phase 2 Interim Findings in Prostate Cancer Patient Cohort Compared with Jevtana® (original formulation of cabazitaxel)

100% of evaluable patients treated with DEP® cabazitaxel exhibited one or more efficacy signals:

- 64% had soft tissue disease control for up to 36 weeks
- 90% had a prostate specific antigen (PSA) decrease
- 83% had no progression of secondary bone disease
- 18% had significant tumour shrinkage, a partial response
- 52% achieved a ≥50% decrease in PSA (Jevtana® – 29.5%)
- 56% evaluable for all three of these measures (soft tissue disease, bone disease and PSA) showed positive efficacy signals in all three

Significantly fewer and less severe adverse events were reported in the DEP® cabazitaxel cohort than for Jevtana®:

- Fewer and less severe bone marrow toxicities, particularly neutropenia
- No anaphylaxis observed with DEP® cabazitaxel formulation (aqueous formulation – polysorbate 80-free)
- No severe hypersensitivity or hair loss with DEP® cabazitaxel
- Vast majority of adverse events were mild to moderate
- Very few patients required G-CSF therapy for myelosuppression

Case Study: 80-year-old man with stage IV prostate cancer

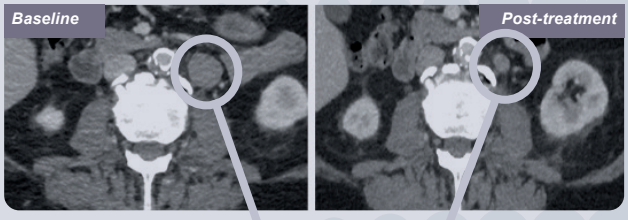
Patient was heavily pre-treated prior to entering the DEP® cabazitaxel study

- *Patient had progressed following 33 cycles/months of three different anti-cancer therapies*

Following treatment with DEP® cabazitaxel (seven cycles), the patient achieved these responses:

- *87% reduction in PSA (prostate specific antigen)*
- *Partial response (significant tumour shrinkage) lasting more than 24 weeks, including a 62% decrease in size of target lymph node*
- *No G-CSF therapy required*
- *Notable absence of clinically significant neutropenia, anaemia, and thrombocytopenia*

CT scans of lymph node metastasis



62% reduction in size of cancerous lymph node, returned to normal size

These interim findings in the prostate cancer cohort demonstrate a favourable efficacy and safety profile of DEP® cabazitaxel, compared to the original formulation of the drug, highlighting the significant value that Starpharma's DEP® technology can deliver to patients.

Starpharma's DEP® cabazitaxel trial continues recruitment of patients with ovarian and gastroesophageal cancers, following observation of encouraging efficacy signals in these tumour types.

Internal Preclinical DEP® Programs

DEP® gemcitabine – Advancing towards the clinic

DEP® gemcitabine is a dendrimer-enhanced version of conventional gemcitabine, which is commonly used to treat pancreatic cancer and a wide range of other cancer types. Starpharma is in the final stage of preparation for a Phase 1/2 clinical trial of DEP® gemcitabine, following strong preclinical results and significant clinician interest.

DEP® antibody drug conjugates

Antibody drug conjugates (ADCs) are a class of targeted medicines that comprise a targeting molecule (e.g., antibody) chemically linked to a drug. ADCs are designed to target, enter and kill certain types of cells, such as cancer cells, while minimising harm to other cells.

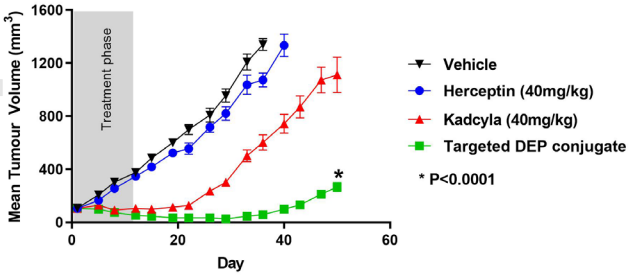
Starpharma's DEP® technology provides multiple therapeutic benefits compared to conventional ADCs, including:

- Greater homogeneity
- Site-specific attachment of drug conjugates
- High affinity
- Delivery of signficantly higher drug payload levels than conventional ADCs
- Improved solubility and aggregation

ADCs have become an increasingly valuable class of therapeutic agents in oncology and haematology and Starpharma is working on a number of internal and partnered programs in this area.

Starpharma has demonstrated the benefits of DEP® ADCs in preclinical studies, such as in Figure 1 below, which shows that Starpharma's HER2 targeted DEP® ADC demonstrated significant tumour regression and 100% survival, outperforming marketed drugs in a human ovarian cancer model.

Figure 1: DEP® HER2 ADC provides enhanced antitumour efficacy versus selected marketed HER therapies



DEP® radiotheranostics

Radiotheranostics refers to the combined use of small doses of radioactive drugs, or radionuclides, for imaging and therapeutic applications in cancer treatment.

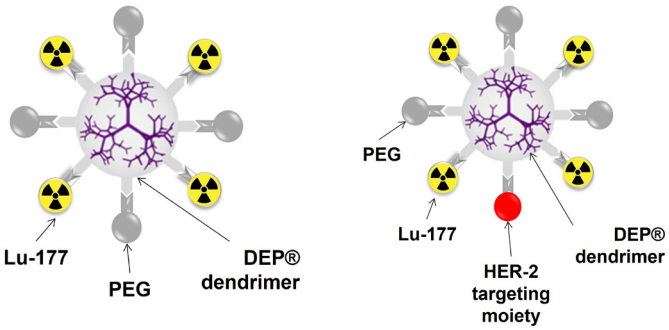
As well as conventional chemotherapeutic drugs, Starpharma's DEP® technology can be applied to radiotheranostics, creating DEP® radiotheranostic conjugates, which have the potential to better target cancer tissue, minimise off-target toxicity and enhance efficacy.

Radiotheranostics is a rapidly developing area of cancer treatment and sales in this category are estimated to grow substantially in the coming years.

Starpharma has developed multiple novel DEP® radiotheranostic candidates, including two radiotherapeutics (DEP® lutetium and DEP® HER2-lutetium) and one radiodiagnostic (DEP® zirconium).

The company is exploring a number of opportunities to progress these candidates, including through internal and partnered programs.

Example of a DEP® radiotherapeutic, where the radioisotopes are attached to a DEP® 'scaffold'



Application of DEP® beyond oncology

Given the highly versatile and flexible nature of Starpharma's DEP® technology, it can be applied to a wide range of therapies, therapeutic areas, and types of molecules, beyond oncology applications. These therapies include, but are not limited to, antivirals and anti-infectives.

Starpharma has previously demonstrated the benefits of using DEP® in antivirals such as improved pharmacokinetics and improved solubility.

In parallel with our work in oncology, the company continues to identify potential opportunities for developing DEP® compounds for therapeutic areas beyond oncology. Starpharma also has a partnership with Chase Sun to explore the potential of DEP® in the area of anti-infectives.

Starpharma has secured DEP® partnerships with several of the world's largest biotechnology and pharmaceutical companies

Partnered DEP® Programs

The exceptional clinical and commercial potential of Starpharma's DEP® platform makes it a highly valuable partnering proposition. The nature of Starpharma's DEP® drug delivery platform means partners can work under a research collaboration or licence for a specific drug type or category, or geography without limiting Starpharma's ability to partner with others, creating significant optionality. Given Starpharma does not fund partnered programs, they also create leverage for Starpharma's shareholders.

In a significant endorsement of the DEP® technology, Starpharma has established partnerships with several of the world's largest biotechnology and pharmaceutical companies, including AstraZeneca, Genentech and Merck & Co., Inc.

The company is collaborating with its partners to explore the application of the DEP® technology in multiple therapeutic areas, including oncology and anti-infectives. Partnered programs have the potential to generate significant returns for Starpharma through milestones and royalties.

AstraZeneca expands the DEP® AZD0466 global clinical program to include a new indication

Starpharma has a multi-product licence with AstraZeneca that includes the development of AstraZeneca's novel DEP® agent AZD0466 – a novel dendrimer formulation of AstraZeneca's highly potent Bcl2/xL dual inhibitor. AZD0466 is a high-profile program progressing through clinical trials for the treatment of several types of blood cancers.

During the year, an exciting expansion of the AZD0466 clinical program was announced by AstraZeneca to include a new indication outside leukaemia – non-Hodgkin's lymphoma (NHL). NHL is one of the 10 most commonly occurring cancers worldwide. This expanded program is recruiting NHL patients in parallel with the ongoing global Phase 1/2 study in patients with acute myeloid leukaemia (AML) and acute lymphoblastic leukaemia (ALL), which continues to recruit patients and open new sites.

Clinical program for AZD0466	Status
Global Phase 1/2 study in advanced haematological malignancies (AML & ALL)	Recruiting & opening new sites
Global Phase 1/2 study in non-Hodgkin's lymphoma	Recruiting & opening new sites
Additional indication planned	*Details TBA*

In addition to these two trials, AstraZeneca also intends to expand the AZD0466 clinical program to include an additional cancer type. Starpharma welcomes these positive developments for AZD0466 and its expanding market potential.

New DEP® Research Agreements with two large US biopharmaceutical companies, Merck & Co., Inc., and Genentech

In August 2022, Starpharma expanded its DEP® ADCs program with Merck & Co., Inc., signing a second DEP® Research Agreement, which will involve generating and evaluating additional DEP® ADCs.

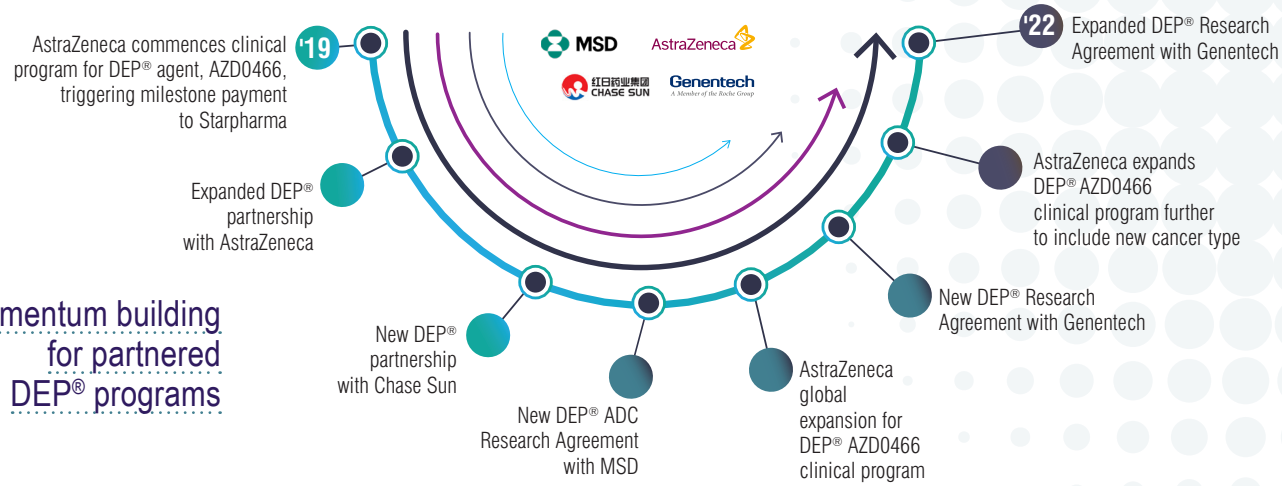
In December 2021, Starpharma also announced a new DEP® Research Agreement with Genentech, a member of the Roche Group, for the development and evaluation of DEP® drug conjugates. In June 2022, Starpharma was pleased to announce an expansion of this agreement to include an additional DEP® program.

Other DEP® partnerships and collaborations

In addition to these partnered programs with AstraZeneca, Merck & Co., Inc., and Genentech, Starpharma continued working on its DEP® anti-infective program with Chase Sun during the year.

Starpharma also continues to pursue new partnering opportunities and is advancing negotiations for potential new programs and partners.

Momentum building for partnered DEP® programs



VIRALEZE™ Nasal Spray

VIRALEZE™ is a broad-spectrum nasal spray that traps and blocks respiratory viruses in the nasal cavity. VIRALEZE™ is applied in the nose where it forms a physical moisture barrier over the nasal mucous membranes, which traps and blocks viruses.

VIRALEZE™ nasal spray was successfully developed by Starpharma in response to the COVID-19 outbreak in 2020 and the product was launched less than 12 months after the company first reported the antiviral activity of SPL7013 against SARS-CoV-2. VIRALEZE™ is now registered in more than 30 countries and available in pharmacies, retail outlets and online in a number of countries.

During the period, Starpharma reported a number of positive developments for VIRALEZE™, including launches in new regions such as Vietnam and Italy, relaunch in the UK market, and additional registrations in other countries. The company also conducted multiple antiviral and virucidal studies at the prestigious Scripps Research Institute throughout the year to further support the product. The results of these studies have proved highly valuable in commercialising and marketing VIRALEZE™.

International rollout of VIRALEZE™

Starpharma continues to progress registration and commercialisation for VIRALEZE™ across multiple new markets to support its international rollout.

In December 2021, VIRALEZE™ launched in Vietnam and Italy, following the execution of sales and distribution arrangements. In Vietnam, VIRALEZE™ is being distributed through local pharmacy chains and independent retail outlets, while in Italy the product is being sold through LloydsFarmacia.

VIRALEZE™ continues to be well received by both consumers (online and instore) and healthcare professionals.

Sales of VIRALEZE™ have significantly increased in FY22, following these new product launches. Starpharma's VIRALEZE™ product webstore also achieved growing sales during the year.

VIRALEZE™ relaunched by LloydsPharmacy in the UK

In June 2022, VIRALEZE™ was relaunched through LloydsPharmacy in the UK.

LloydsPharmacy is one of the largest pharmacy groups in the UK, and its affiliated wholesale arm, AAH, is one of the largest pharmaceutical wholesalers in the UK, supplying more than 14,000 independent UK pharmacies.

Starpharma was awarded $1 million in funding in September 2020 for the development of VIRALEZE™ by the Australian Government's Medical Research Future Fund (MRFF) under the Biomedical Translation Bridge (BTB) program. In August 2022, Starpharma was announced as winner of the 'Most Significant Commercial Outcome' award for the successful, rapid development and commercialisation of VIRALEZE™ antiviral nasal spray.

VIRALEZE™ protects against highly infectious Omicron variant of SARS-CoV-2 in Viral Challenge Model – Before or After Exposure

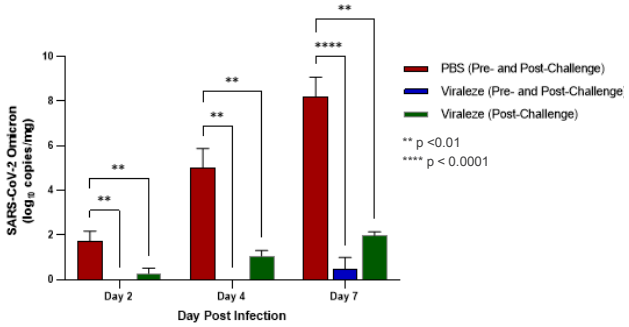
VIRALEZE™ recently demonstrated high levels of protection against infection with the highly transmissible SARS-CoV-2 Omicron variant in a stringent viral challenge model.

In a study conducted at Scripps Research in the United States, 100% of animals treated with VIRALEZE™ before and after Omicron virus challenge had no detectable virus in lung, trachea, or nasal cavity at up to four days post-challenge.

VIRALEZE™ was also highly effective even if used *only after* exposure to virus – animals treated with VIRALEZE™ only after virus exposure exhibited a >99.999% reduction in viral load in both lung and trachea, compared with saline-treated animals, at day seven. This finding is important because it suggests that even when VIRALEZE™ is used only after exposure to virus (e.g., if you forget to use the spray before exposure in a high-risk situation), it still has potential to provide significant benefit.

Data from the study, showing viral load in lung tiussue, are provided in Figure 2 below.

Figure 2: SARS-CoV-2 Omicron Viral Load in Lung VIRALEZE™ vs Saline (PBS) Control



These new *in vivo* data build on the *in vitro* antiviral and virucidal testing at Scripps Research earlier in the year, where the VIRALEZE™ agent (SPL7013) achieved the maximum possible reduction of >99.5% virus infectivitiy against the Omicron variant of SARS-CoV-2 – also consistent with the high levels of viral reduction seen in previous studies of other SARS-CoV-2 variants and other respiratory viruses.

Collectively, the data show that VIRALEZE™ is highly effective in trapping and blocking virus in the nasal cavity and suggest that VIRALEZE™ could be used to help protect from infection with respiratory viruses, including multiple SARS-CoV-2 variants, and potentially as post-exposure prophylaxis to reduce severity of viral respiratory disease.

Medical products with a global footprint

SPL7013 in VIRALEZE™ virucidal against influenza A and B

During the year, SPL7013 was also shown to be virucidal against influenza A and B – the two most common influenza viruses. In studies conducted at Scripps Research, SPL7013 achieved 95% and 99.7% reductions in viral infectivity against influenza A and B respectively.

The broad spectrum antiviral activity of SPL7013 that has been progressively demonstrated, is a positive feature of VIRALEZE™, which highlights the immense opportunities for the product to support programs to combat seasonal flu outbreaks and strengthen pandemic preparedness.

SPL7013 in VIRALEZE™ has now demonstrated strong antiviral effects against the following pandemic and endemic viruses:

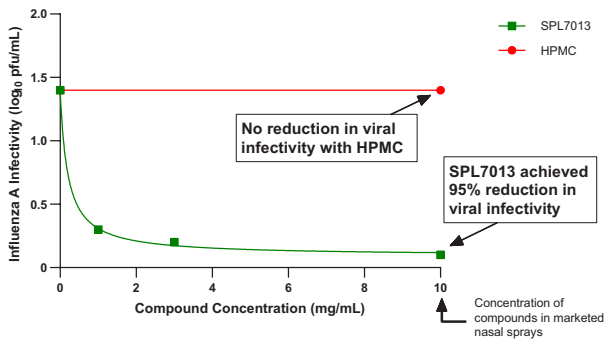
- SARS-CoV-2 (the coronavirus that causes COVID-19), including the Alpha, Beta, Gamma, Delta, Omicron and Kappa variants
- MERS-CoV (the coronavirus that causes MERS)
- SARS-CoV (the coronavirus that causes SARS)
- H1N1 (the influenza virus that caused Swine Flu)
- H3N2 (the influenza virus that caused Avian Flu)
- RSV (Respiratory syncytial virus)
- Influenza A and B (the two most common influenza viruses)

VIRALEZE™ outperforms other antiviral agents in influenza studies

As well as testing the antiviral effects of SPL7013 against a broad spectrum of respiratory viruses, Starpharma conducted a number of comparative antiviral studies at Scripps Research throughout the year.

In our studies of influenza, A and B, we assessed the activity of two antiviral agents used in widely available nasal sprays: hydroxypropyl methyl cellulose (HPMC) and iota-carrageenan. In contrast to the potent and rapid effect of SPL7013, HPMC and iota-carrageenan did not exhibit virucidal effects in this experiment, even after 30 minutes exposure (see Figure 3 below).

Figure 3: Infectivity of influenza A virus (log_{10} pfu/mL) following incubation with SPL7013 or HPMC (mg/mL)



The impressive comparative results of these studies contribute to the growing body of scientific data supporting VIRALEZE™ and our innovative antiviral and antimicrobial agent, SPL7013, which is also used in our VivaGel® products.

VivaGel® BV

VivaGel® BV is a novel, non-antibiotic therapy for the treatment of bacterial vaginosis (BV) and the prevention of recurrent BV. BV is the most common vaginal infection worldwide and is twice as common as thrush. One in three women will experience BV and half of these women will have recurrent BV.

VivaGel® BV is registered in more than 45 countries, has been licensed in 160 countries, and is sold under different brand names in the UK, Europe, Southeast Asia, South Africa, Australia and New Zealand.

This year, regulatory approvals for VivaGel® BV were achieved in the Middle Eastern countries, Bahrain and Qatar. Starpharma and its commercial partner, Mundipharma, continue to work together to complete other registrations across the Mundipharma territories and to pursue additional launches of VivaGel® BV in countries where it has been registered.

VivaGel® BV was also featured in the highly regarded peer-reviewed European journal, *Archives of Gynecology and Obstetrics*. The article highlights the significant unmet need for new treatment and prevention options in BV and the role that VivaGel® BV can play in addressing this need. This publication will support further marketing activities and inclusion of the product in clinical management guidelines for BV.

Starpharma's partners for VivaGel® BV have experienced some disruption to sales and marketing activities due to COVID-19, and in the US, where a formal FDA review process is ongoing, COVID-19 has impacted that review process and associated activities.

VivaGel® Condom

During the year, Starpharma's VivaGel® condom partner in Japan, Okamoto, launched an additional VivaGel® condom range under the brand name *Pure Marguerite*, targeting younger demographics. The range is being distributed through major national retail chains in Japan. In parallel, Okamoto is continuing to progress registration activities for the product in a number of other Asian countries.

3 Year Financial Summary

	2022 $M	2021 $M	2020 $M
Revenue	4.9	2.2	6.6
Other Income	0.3	1.3	0.5
Total revenue and other income	**5.2**	**3.5**	**7.1**
Expenditure, including cost of goods sold	(21.4)	(23.2)	(21.8)
Loss for the period	**(16.2)**	**(19.7)**	**(14.7)**
Net operating cash outflows	(13.2)	(14.8)	(10.8)
Net investing and financing cash inflows (outflows)	2.4	46.1	(0.7)
Cash and cash equivalents at end of year	49.9	60.5	30.1

Overview of FY22 Financial Results

Starpharma ended the financial year with a strong cash balance of $49.9 million.

Revenue for the year was up 128% to $4.9 million, which includes $4.7 million in product sales, royalty, and research revenue from corporate partners (2021: $1.8 million). The increase in revenue from contracts with customers reflects the rollout of VIRALEZE™ to new markets, including Vietnam.

The reported loss of $16.2 million is a decrease of 18%, compared to the $19.7 million loss last year. The decreased loss compared to the prior year reflects the higher sales and partner revenue and lower R&D expenditure due to the completion of VIRALEZE™ development and the stage of DEP® clinical programs. The reduced loss is also impacted by a favourable unrealised foreign exchange movement of $0.9 million, primarily on foreign currency held.The net operating cash outflows for the year were $13.2 million. Net investing and financing cash inflows for the year were $2.4 million.

CEO's Report

Review and future outlook

Reflecting on the past 12 months, Starpharma's Board and I are very proud of our dedicated team who have worked exceptionally hard. Starpharma has a highly skilled workforce and every member of our team is critical to the success and development of our business.

The impact of the global pandemic is still being felt throughout the community, however, I am pleased to report that Starpharma has continued to operate with minimal disruption. Our executive team has monitored the situation and taken action where appropriate to ensure the safety of our staff and trial participants, to maintain product supply for our customers, and to continue advancing our business.

This year, we have welcomed the opportunity to again particpate in conferences and to resume face-to-face meetings with partners, industry stakeholders, and shareholders.

Starpharma has concluded FY22 with a strong balance sheet and a growing portfolio of revenue-generating products on market and valuable partnerships.

Looking ahead, our strategic focus is clear – *to leverage our proprietary dendrimer technology to build a portfolio of high-value products and partnerships that address significant unmet patient needs for the betterment of our community and our shareholders.*

Starpharma's DEP® products continued to yield impressive responses in our Phase 2 oncology trials, including significant tumour shrinkage and stable disease in late-stage patients with prostate, ovarian, lung, stomach, oesophageal, colorectal, pancreatic and breast cancers. These patients have few options for treatment, so these responses are all the more important.

Our DEP® platform remains a key value driver given its broad applicability to a wide range of therapeutics, remarkable optionality and value in multiple partnerships. Internally, we will continue creating additional DEP® candidates for large, high-value markets, with a view to progress into clinical trials ahead of licensing. This includes advancing our three Phase 2 DEP® clinical candidates and value-adding combinations as appropriate, as well as progressing our work in innovative and valuable research areas such as improved antibody drug conjugates and radiotheranostics.

In parallel to this, we will continue progressing our existing partnered DEP® programs with AstraZeneca, Merck & Co., Inc., Chase Sun, and Genentech, while also seeking new opportunities.

Partnered DEP® programs have have the potential to generate multiple revenue streams through significant future milestones and royalties for Starpharma through licensing, creating signifcant leverage and optionality, all while being funded externally.

In the year ahead, we will also continue to focus on expanding the footprint of our marketed products across the globe through our commercial partners and also directly to consumers.

Additional testing demonstrating the effectiveness of VIRALEZE™ against a broad spectrum of respiratory viruses, beyond SARS-CoV-2, such as influenza viruses, has further broadened the potential for the product. Likewise, comparative studies showing that SPL7013, the agent in VIRALEZE™, is more effective than other nasal sprays and their ingredients, have further strenthened the commercial positioning of VIRALEZE™. We look forward to making this product more widely available and driving further revenue in the year ahead.

For our VivaGel® products, we will continue working with our partners to achieve additional registrations and launches for these important products in new regions.

Our DEP® products and SPL7013 products (VIRALEZE™ and VivaGel®) are excellent examples of how we leverage our dendrimer technology to develop and commercialise new and innovative medical products that can make a real and positive difference to people's lives. Moving forward we intend to leverage new, short and long-term opportunities using our proprietary dendrimer technology to continue building on our portfolio of highly valuable assets.

Starpharma is in an excellent position for accelerated growth, with a strong balance sheet and anticipated growing revenues. Together, with the support of our staff, partners, industry stakeholders, and shareholders, the company will continue its pursuit of improving patient outcomes around the world.

Jackie Fairley
Chief Executive Officer

DEP® Drug Delivery

Internal DEP® Clinical-stage Assets
- Progress and complete Phase 2 trials
- Progress value-adding combination studies
- Licences for DEP® assets

Partnered DEP® Programs
- Progress existing partnerships with AstraZeneca, Merck & Co., Inc., Chase Sun, and Genentech
- Execute new and/or expand existing DEP® partnerships

AZD0466 Clinical Program
- Clinical progress, including expansion of trial sites and recruitment
- Further milestones

Preclinical DEP® Programs
- Advance DEP® radiotheranostics, DEP® ADCs and other DEP® candidates

SPL7013 Products

VIRALEZE™ Nasal Spray
- Further commercial rollout and product launches
- Further registrations in other regions
- Further distribution and marketing arrangements with commercial partners
- Continued testing to support commercialisation

VivaGel® BV
- Commercial rollout in other markets
- Further regulatory approvals and launches; milestones, product sales/royalties
- FDA review process

VivaGel® Condom
- Approvals/launches in additional countries

SPL7013
- Further development/co-development of other products
- Continued testing against important infectious pathogens

Environment, Social & Governance

As a biopharmaceutical company, Starpharma is uniquely positioned to help address global health challenges by bringing important medicines and health products to patients in need. We acknowledge this important role and believe our innovative products will deliver long-term value to all stakeholders.

Alongside developing important products for patients, Starpharma is committed to corporate sustainability. As part of this commitment, the company releases a standalone Environment, Social and Governance (ESG) Report each year alongside this Annual Report.

Starpharma's ESG Report showcases how we operate our business responsibly and contribute to the wider community, with consideration for global ESG goals, principles and frameworks.

Our ESG Report presents the sustainability related risks and opportunities that are material and relevant for Starpharma, with particular consideration to the changing, perceived and potential issues arising from our progress with developing pharmaceutical products through to their registration, supply and commercialisation.

The ESG Report is centred around Starpharma's ESG framework, which comprises four pillars: Governance, Our People, Products & Patient Health, and Environment. Our ESG framework is strongly embedded throughout all parts of our business and during the year we have continued to prioritise activities and initiatives to achieve high standards in each of these pillars. Several key achievements are captured in our ESG snapshot (right), highlighting our commitments to good governance, our people, responsible supply chains and mitigating our impact on the environment.

We encourage you to view our full ESG Report online on our website.

ESG SNAPSHOT

Compliance with ASX Corporate Governance Principles and Recommendations

No breaches of:
- Code of Conduct
- Anti-bribery
- Whistleblowing

Director Independence

Small, diverse workforce represented by 18 countries

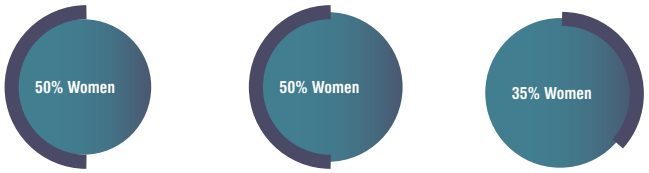
No WorkSafe notifiable incidents in the last 5 years

Supplier Code of Conduct outlines expectations for all suppliers

Strong, innovative and performance-driven culture

Critical suppliers monitored through audits and ongoing assessment of quality

Women represented at all levels of the company



Committed to conducting operations in an environmentally responsible manner

Clinical programs undertaken in accordance with strict international guidelines

Climate Change Position Statement Published

Directors' Report

Your directors have pleasure in presenting this report on the consolidated entity (referred to hereafter as the "group", "company", or "Starpharma") consisting of Starpharma Holdings Limited (the "Parent Entity") and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of Starpharma Holdings Limited at the date of this report and during the whole of the financial year:

R B Thomas (Chairman)
D J McIntyre
J K Fairley (Chief Executive Officer)
Z Peach

L Cheng was appointed as a director on 1 August 2021 and continues in office at the date of this report.
J R Davies was appointed as a director on 1 April 2022 and continues in office at the date of this report.
P R Turvey was a director from the beginning of the financial year until his resignation on 29 July 2021.

Information on Directors

Robert B Thomas AO, BEc, MSAA, SF Fin, FAICD, FRSN
Independent non-executive director (appointed 4 December 2013) and Chairman from 13 June 2014

Experience
Mr Thomas has a strong background in financial services and capital markets and is a non-executive director of several Australian listed companies. Formerly Mr Thomas was a Partner of Potter Partners (now UBS) where he was also Head of Research.

Mr Thomas is the former Chief Executive Officer (CEO) of County NatWest Securities and then became CEO and then Chairman of Citibank Corporate and Investment Bank in Australia. Mr Thomas has also held the position of Chairman at Australian Wealth Management Ltd (ultimately IOOF Ltd), TAL (Australia's largest life insurance company) and HeartWare® International Inc, the second largest global manufacturer of left ventricular assist heart pumps. Mr Thomas is currently a non-executive director of ASX-listed Biotron Limited and Clarity Pharmaceuticals Limited. Mr Thomas is also Chair of AusBio Ltd, Grahger Retail Securities, Co-Chair of the State Library of NSW Foundation and a director of O'Connell Street Associates.

For many years Mr Thomas was regarded as one of Australia's leading financial analysts and regularly lectured with Financial Services Institute of Australia (FINSIA). He has considerable expertise in Mergers & Acquisition (M&A) and capital markets including advising on the floats of Commonwealth Bank of Australia and Qantas, and vast experience in Audit and Risk Management. Mr Thomas is also approved under the NSW prequalification scheme for Audit and Risk Committee Independent Chairs and Members for government/public sector agencies and has previously served as the Chairman of the Audit and Risk Committee of Virgin Australia Limited (for 11 years), HeartWare® International Inc, REVA Medical Limited and the State Library of NSW.

Mr Thomas holds a Bachelor of Economics from Monash University, a Diploma of Business (Accounting) from Swinburne and is a fellow of FINSIA. Mr Thomas is also a Master Stockbroker, a Fellow of the Australian Institute of Company Directors and a Fellow of the Royal Society of New South Wales.

Committee membership
Member of Remuneration & Nomination Committee;
Member of Audit & Risk Committee.

Other current directorships of ASX listed entities: Biotron Limited and Clarity Pharmaceuticals Limited.

Directorships of other ASX listed entities within last three years: REVA Medical Inc.

Specific skills and experience areas
In addition to Mr Thomas' significant finance and M&A/capital markets experience, Mr Thomas' non-executive roles with various ASX listed companies have deepened his skills and experience in relation to accounting/corporate finance; audit and risk; governance; licensing and commercialisation of innovation; strategy and risk management; occupational health & safety ("OH&S"); and remuneration. He has also had significant experience with US based companies as they progress from research to commercialisation.

Interests in Starpharma Holdings Limited
900,000 ordinary shares

Jacinth (Jackie) K Fairley BSc, BVSc (Hons), MBA, GAICD, FTSE

Chief Executive Officer and Director (appointed 1 July 2006)

Experience
Dr Jackie Fairley has more than 30 years of operational experience in the pharmaceutical and biotechnology industries working in senior management roles with companies including CSL Limited (CSL) and Faulding (now Pfizer). In those roles Dr Fairley had responsibilities which included clinical, regulatory, business development, product development management and general management. At Faulding Dr Fairley was responsible for Global Product Development, Regulatory Affairs and Business Development for Faulding's Hospital Business which operated in more than 60 countries.

Dr Fairley holds first class honours degrees in Science (pharmacology and pathology) and Veterinary Science from Melbourne University and was a practicing veterinary surgeon prior to joining CSL. Whilst at CSL Dr Fairley obtained a Master of Business Administration from the Melbourne Business School where she was the recipient of the prestigious Clemenger Medal. Dr Fairley is also a Graduate of the Australian Institute of Company Directors.

Dr Fairley is a non-executive director of the listed investment company Mirrabooka Investments Limited and a member of the Invest Victoria Advisory Board (IVAB) and Carnegie Venture Capital's investment Committee. Dr Fairley has previously served on the Melbourne Business School Board, the Australian Federal Government's Commonwealth Science Council and Pharmaceutical Industry Working Group, and the Australian Federal Ministerial Biotechnology Advisory Council.

Committees
Attends Board Committee meetings by invitation.

Other current directorships of ASX listed entities: Mirrabooka Investments Limited.

Directorships of other ASX listed entities within the last three years: None.

Specific skills and experience areas
With more than 30 years' experience in executive roles up to and including as CEO and executive director of ASX listed and unlisted pharmaceutical and biotechnology companies, Dr Fairley's experience covers all key areas described in the Board skills matrix. In particular, Dr Fairley has significant leadership skills in healthcare and scientific research; pharmaceutical development; international experience; licensing and commercialisation of innovation; business development; strategy and risk management; and M&A/capital markets.

Interests in Starpharma Holdings Limited
3,975,434 ordinary shares
5,502,890 employee performance rights

Zita Peach BSc, GAICD, FAMI

Independent non-executive director (appointed 1 October 2011)

Experience
Ms Peach has more than 25 years of executive commercial experience in the pharmaceutical, biotechnology, medical devices and health services industries. She worked for major industry players such as CSL Limited and Merck Sharp & Dohme, the Australian subsidiary of Merck Inc. Ms Peach's most recent executive position was as the Managing Director for Australia and New Zealand and Executive Vice President, South Asia Pacific for Fresenius Kabi, a leading provider of pharmaceutical products and medical devices to hospitals. Previously, Ms Peach was Vice President, Business Development, for CSL Limited, a position she held for ten years.

Ms Peach has substantial international and local expertise in the areas of pharmaceutical/medical device product development, commercialisation of products and technologies, marketing and sales, licensing, M&A and international expansions. She has overseen manufacturing, logistics, regulatory affairs, quality assurance, clinical services, human resources, finance, information technology, public policy, business development, marketing and sales at Managing Director and CEO level.

Ms Peach is Chair of Pacific Smiles Group Limited, and a Non-Executive Director of the ASX-listed Monash IVF Group Limited.

Ms Peach is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Marketing Institute.

Committee membership
Chair of the Remuneration & Nomination Committee;
Member of Audit & Risk Committee.

Other current directorships of ASX listed entities: Monash IVF Group Limited, and Pacific Smiles Group Limited.

Directorships of other ASX listed entities within the last three years: Visioneering Technologies, Inc., AirXpanders, Inc.

Specific skills and experience areas
With over 25 years' experience in various senior executive roles within ASX listed and international pharmaceutical and biotechnology companies, as well as numerous non-executive directorships in the biotechnology/pharmaceutical sector, Ms Peach's experience covers all key areas described in the Board skills matrix. In particular, Ms Peach has substantial expertise as a leader in healthcare and scientific research; pharmaceutical/product development; licensing and commercialisation of innovation; science and technology; sales, marketing and business development; strategy and risk management; remuneration; and M&A/capital markets.

Interests in Starpharma Holdings Limited
57,449 ordinary shares

David McIntyre CPA, LL.B., MBA and B. Econs (Acc)

Independent non-executive director (appointed 1 March 2020)

Experience
Mr McIntyre has more than 20 years of executive experience including 18 years in the life sciences sector, having held various C-suite level roles at Tessa Therapeutics, Inc., AVITA Therapeutics, Inc., HeartWare® International, Inc., and Braeburn, Inc.

Mr McIntyre's experience also includes seven years as a Partner at Apple Tree Partners, a multi-billion-dollar life science venture capital and growth equity fund, giving him a deep knowledge of, and extensive contacts, in the US pharma, medical device and biotech markets. During this time, Mr McIntyre served as a non-executive director of several United States life science companies.

Prior to entering life sciences, Mr McIntyre practiced as a senior attorney at Baker & McKenzie and KPMG specialising in M&A, initial public offerings, and corporate law and also held various senior finance roles in both multi-national companies and small growth companies.

Mr McIntyre is based in the United States and brings to the table an international lens on life science licensing and commercialisation, marketing and business and development, and M&A/capital markets. Mr McIntyre has significant experience in the areas of accounting/corporate finance, audit and risk, strategy and risk management.

Mr McIntyre holds a Bachelor of Economics (Accounting) from the University of Sydney, Australia, a Bachelor of Laws from the University of Technology, Sydney and a Masters of Business Administration from Duke University Fuqua School of Business (Fuqua Scholar) from Durham, North Carolina, in the United States of America. Mr McIntyre is a Certified Practising Accountant and is also admitted as a legal practitioner of the Supreme Court of New South Wales and of the High Court of Australia.

Committee membership
Acting Chair of Audit & Risk Committee.

Other current directorships of ASX listed entities: None.

Directorships of other ASX listed entities within the last three years: Redflex Holdings Limited.

Specific skills and experience areas
With more than 20 years of executive experience including 18 years in the life science sector, Mr McIntyre's experience covers all key areas described in the Board skills matrix. In particular, Mr McIntyre has substantial expertise in accounting/corporate finance, audit and risk; M&A/capital markets; governance; licensing and commercialisation of innovation; strategy and risk management, having held executive roles including Chief Financial Officer and Chief Operating Officer. He has also had significant experience with United States based companies in the medical device, biotechnology and pharmaceutical sector.

Interests in Starpharma Holdings Limited
16,240 ordinary shares

Lynda Cheng B.Com, LLB (Hons), GAICD
Independent non-executive director (appointed 1 August 2021)

Experience
Ms Cheng has a strong background in finance with more than 25 years of experience as a finance executive including more than 15 years at Visy Industries/Pratt Holdings and 10 years in investment banking. She has significant commercial and international corporate expertise including experience in financial services, manufacturing, export finance, infrastructure, education as well as market entry, growth and technology.

Ms Cheng is currently Director of Corporate Development and Mergers & Acquisitions at Visy Industries / Pratt Holdings and has held various other roles in the group including CFO. Ms Cheng's earlier roles include as a lawyer at Blake Dawson, before moving into investment banking with J.P. Morgan in their Melbourne, Sydney, San Francisco and New York offices.

Ms Cheng is currently an independent, non-executive member of the board of directors JRJJ Capital, the parent company of Merricks Capital, in an observer/advisory capacity. Ms Cheng previously served as a non-executive director of Export Finance Australia, a member of the Australian Government's International Development Policy Expert Panel and Deputy Chair and Chair of the Finance, Audit and Risk Committee of South East Water.

Ms Cheng holds a Bachelor of Law (Honours) and Commerce degree, majoring in actuarial studies and economics, from the University of Melbourne and is a graduate member of the Australian Institute of Company Directors.

Committee membership
Member of Audit & Risk Committee;
Member of Remuneration and Nomination Committee

Other current directorships of ASX listed entities: None.

Directorships of other ASX listed entities within the last three years: None

Specific skills and experience areas
With over 25 years' experience as a finance executive, including substantial international experience and several non-executive directorships, Ms Cheng's experience covers the majority of key areas described in Starpharma's Board skills matrix. In particular, she has substantial expertise in accounting/corporate finance, audit and risk; M&A/capital markets; strategy and risk management; governance; as well as business development. Ms Cheng has had involvement in the commercialisation of new innovations during her tenure at South East Water and also while working with disruptive technology companies in Silicon Valley.

Interests in Starpharma Holdings Limited
60,000 ordinary shares

Jeff R Davies PhD, BSc (Hons)
Independent non-executive director (appointed 1 April 2022)

Experience
Dr Davies is a former CSL executive, with over 35 years of biopharmaceutical experience, holding senior executive roles at CSL, including Executive Vice President & General Manager at CSL for the Asia-Pacific region, and Global Head of Plasma Product Research and Development at CSL-Behring, Switzerland. As Executive Vice President & General Manager at CSL for the Asia-Pacific region Dr Davies had overall P&L responsibility for the commercial and operational aspects of the business and oversaw the pharmaceutical, plasma, vaccine, and diagnostic businesses in Australia, New Zealand, China, and the broader Asia-Pacific region.

As the Global Head of CSL-Behring's Plasma Product Research and Development portfolios, Dr Davies oversaw and played an important role in the development of leading products, including the multi-billion-dollar Privigen® immunoglobulin product. Dr Davies was part of CSL's due diligence teams, which led to the acquisitions of the Plasma Fractionation businesses of Swiss Red Cross (2000) and Aventis Behring (2003) thus transforming CSL into a global company.

Dr Davies is a partner and founding director of the pharmaceutical consulting firm, Centre for Biopharmaceutical Excellence. Dr Davies has held a number of senior industry board and advisory roles, including representation on the Pharmaceutical Industry Council, the Australian Red Cross Advisory Board and Medicines Australia.

Dr Davies holds a PhD in Biochemistry from Monash University and is a Graduate of the London Business School's Senior Executive Program.

Committee membership
Member of Remuneration and Nomination Committee

Other current directorships of ASX listed entities: None.

Directorships of other ASX listed entities within the last three years: None

Specific skills and experience areas
With over 35 years of experience within the biopharmaceutical industry, Dr Davies is an accomplished executive skilled in R&D, Product Development and commercialisation strategy; business development, manufacturing and clinical & regulatory affairs. Dr Davies has significant leadership skills and experience in commercialising scientific research for healthcare products.

Interests in Starpharma Holdings Limited
50,000 ordinary shares

Peter R Turvey BA/LLB, MAICD
Independent non-executive director (appointed 19 March 2012) and Deputy Chairman from 26 November 2019; resigned 29 July 2021)

Experience
Mr Turvey has had more than 30 years of experience in the biotech/pharmaceutical industry having been former Executive Vice President Licensing, Group General Counsel and Company Secretary of global biopharmaceutical company CSL, retiring in 2011.

Mr Turvey played a key role in the transformation of CSL from a government owned enterprise, through ASX listing in 1994, to a global plasma and biopharmaceutical company. He also had responsibility for the protection and licensing of CSL's intellectual property and for risk management within CSL, which included management of the internal audit function, reporting to the Audit & Risk Management Committee of the Board as well as being the Chairman of the Corporate Risk Management Committee. In his senior executive role at CSL, Mr Turvey was actively involved in CSL's extensive M&A and equity capital raising activities over a 15 year period, including during the time of the float of CSL as a publicly listed company. This experience was further enhanced by Mr Turvey's non-executive directorships of various ASX listed biotechnology companies.

In addition to his expertise in corporate finance, audit and risk management, Mr Turvey had extensive experience in commercialisation and pharmaceutical product development.

Committee membership (until resignation)
Chair of Audit & Risk Committee
Member of Remuneration and Nomination Committee

Other current directorships of ASX listed entities: None.

Directorships of other ASX listed entities within the last three years: None.

Specific skills and experience areas
With over 30 years of executive experience in the biotechnology industry of which 20 years were at CSL, followed by non-executive directorships at a number of ASX listed pharmaceutical and biotechnology companies, Mr Turvey has significant leadership skills and experience in healthcare and/or scientific research; pharmaceutical/product development; international experience and skills in regulation/public policy; licensing and commercialisation of innovation; business development; governance; strategy; risk management; audit and risk; and M&A/capital markets.

Mr Turvey resigned as a director on 29 July 2021 due to ill health.

Interests in Starpharma Holdings Limited
193,155 ordinary shares (at time of resignation)

Company Secretary

The Company Secretary is Mr Nigel Baade, holding the position since 2013. Mr Baade also holds the position of Chief Financial Officer, which he has held since January 2009. Mr Baade is a Certified Practising Accountant (CPA) with extensive experience in the pharmaceutical and biotechnology industries. Prior to joining Starpharma as Financial Controller in 2006, he has held positions at Hagemeyer, Cerylid Biosciences, Faulding (now Pfizer) and UMT (Fonterra). Mr Baade holds qualifications from University of Tasmania and Monash University.

Mr Baade is a former director of BioMelbourne Network Inc, and served as its Treasurer and Chairman of the Finance, Audit and Risk Committee. Mr Baade is a member of the Australian Institute of Company Directors.

Principal activities

The principal activities of the group consist of research, development and commercialisation of dendrimer products for pharmaceutical, life-science and other applications. Activities within the group are directed towards the development of precisely defined nano-scale materials, including on the development of VivaGel® for the management and prevention of bacterial vaginosis, and as an antiviral condom coating, and VIRALEZE™ - an antiviral nasal spray. Starpharma is also applying its proprietary dendrimers to drug delivery to create improved pharmaceuticals and has developed the valuable DEP® delivery platform.

Result

The financial report for the group for the financial year ended 30 June 2022, and the results herein, have been prepared in accordance with Australian Accounting Standards.

The consolidated loss after income tax attributable to ordinary shareholders for the financial year ended 30 June 2022 was $16,154,000 (2021: $19,732,000), with revenue for the year of $4,899,000 (2021: $2,151,000). The net operating cash outflows for the year were $13,162,000 (2021: $14,808,000). The cash balance at 30 June 2022 was $49,918,000 (June 2021: $60,500,000).

Dividends and distributions

No dividends were paid or declared during the period and no dividends are recommended in respect to the financial year ended 30 June 2022 (2021: Nil).

Review of operations

Key activities until the date of this report include:

DEP® Drug Delivery

Partnered DEP® Programs

Signed and commenced a second DEP® Research Agreement with Merck & Co., Inc., building on our DEP® partnership with them in the innovative and valuable research area of antibody drug conjugates (ADCs). This second agreement follows an initial DEP® ADC agreement signed with Merck & Co., Inc., in February 2021.

Signed and commenced an exploratory DEP® Research Agreement with Genentech, which involves the design and synthesis of DEP® dendrimer conjugates incorporating a Genentech proprietary molecule. This agreement was expanded within six months of the initial agreement to include an additional DEP® program.

Under Starpharma's DEP® licence with AstraZeneca, the global clinical program for AZD0466 continued to advance with multiple new sites opening and commencement of a new clinical trial in an additional cancer type – non-Hodgkin's lymphoma (NHL). The new NHL Phase 1/2 trial of AZD0466 is now recruiting at sites in the US and Korea. AstraZeneca plans to further expand recruitment for this trial, with additional sites expected to open across the US, Canada, Europe, Australia, and Asia. In the Phase 1/2 leukemia trial of AZD0466 in patients with advanced haematological malignancies, additional sites were also opened. This leukemia trial is now recruiting at sites in the US, Australia, Italy, Germany, and Korea.

AstraZeneca and MD Anderson Cancer Center researchers presented new data for AZD0466 in two scientific poster presentations at the 63rd American Society of Hematology (ASH) Annual Meeting in December 2021.

Starpharma also continued to progress its DEP® program with Chase Sun, which involves the development of a DEP® anti-infective product for Chase Sun, with the view of enhancing its performance and expanding its therapeutic utility.

Starpharma continues to pursue further partnering opportunities for its DEP® drug delivery platform and active commercial discussions are underway in a number of research areas including DEP® radiotheranostics.

Internal DEP® Programs

Starpharma's Phase 2 clinical trial of DEP® cabazitaxel continues to recruit well with 70 patients enrolled to date. During the year, Starpharma reported positive interim findings from the prostate cancer cohort of this trial, where 100% of patients[1] treated with DEP® cabazitaxel demonstrated one or more efficacy signals. Starpharma's DEP® cabazitaxel Phase 2 trial continues recruitment of patients with ovarian and gastroesophageal cancers, following observation of encouraging efficacy signals in these tumour types, thereby expanding the market potential for DEP® cabazitaxel. A US patent was also issued for DEP® cabazitaxel during FY22.

The DEP® irinotecan Phase 2 clinical trial continues to progress well, with 83 patients now enrolled. Efficacy signals such as prolonged tumour shrinkage and reductions in tumour markers have been observed in multiple tumour types, including colorectal, breast, ovarian, pancreatic, lung, and oesophageal cancers. Starpharma is finalising preparations for the commencement of a combination arm for DEP® irinotecan in combination with 5-FU + Leucovorin ('FOLFIRI', a commonly used combination treatment regimen in colorectal cancer) to run in parallel with the ongoing monotherapy study. The combination arm is expected to commence shortly at sites in the UK and Australia.

The clinical program for DEP® docetaxel has enrolled 72 patients to date across the monotherapy and combination arms. Encouraging efficacy signals such as prolonged stable disease and significant tumour shrinkage have been observed in heavily pre-treated patients with lung, pancreatic, oesophageal, cholangiocarcinoma and gastric cancers.

Manufacture of DEP® gemcitabine product is now complete in readiness for Starpharma to commence a Phase 1/2 clinical trial, with planned clinical trial sites in the UK and Australia. Preparations for trial commencement are well advanced, with the clinical research organisation (CRO) and site selection processes, regulatory and ethics preparations nearing completion.

Starpharma also continues to deepen its pipeline of DEP® assets by actively progressing a number of its own internal programs in areas including DEP® radiotheranostics and DEP® ADCs.

Marketed Products

VIRALEZE™ Nasal Spray

VIRALEZE™ nasal spray was relaunched in the UK through LloydsPharmacy, one of the largest pharmacy groups in the UK with ~1,400 stores. LloydsPharmacy's affiliated wholesale arm, AAH, is also one of the largest pharmaceutical wholesalers in the UK, supplying over 14,000 independent pharmacies.

VIRALEZE™ was registered and launched in Vietnam in December 2021. Several launch events were held across Vietnam and attended by clinicians, healthcare professionals, politicians, and media networks.

Following the signing of a sales and distribution agreement for VIRALEZE™ in Italy with leading pharmaceutical retail and wholesale distribution company, ADMENTA Italia Group, VIRALEZE™ was launched through ADMENTA's LloydsFarmacia. ADMENTA's LloydsFarmacia comprises ~260 retail pharmacies and an online platform.

VIRALEZE™ was registered in Saudi Arabia in December 2021 and Starpharma subsequently signed a sales and distribution agreement for VIRALEZE™ with Etqan & Nazahah Company (E&N) for nine countries in the Middle East, including Saudi Arabia.

During the year, Starpharma continued its scientific collaboration with The Scripps Research Institute, to test VIRALEZE™ and SPL7013 against a range of respiratory viruses, including multiple variants of SARS-CoV-2[2] (Omicron and Delta) and influenza.

VIRALEZE™ demonstrated excellent protection against infection with the highly transmissible SARS-CoV-2 Omicron variant in a stringent *in vivo* viral challenge model[3]. The findings of this study, conducted at Scripps Research, are important because they indicate, even when VIRALEZE™ is only used after exposure to virus, it still has potential to provide significant benefit. Further, these *in vivo* findings build on the *in vitro* findings reported by Starpharma earlier in the financial year, which showed that VIRALEZE™ achieved the maximal possible reduction of virus infectivity against the Omicron variant of SARS-CoV-2 in laboratory-based antiviral and virucidal assays.

VIRALEZE™ also demonstrated highly protective effects against SARS-CoV-2 (Washington strain) in a humanised mouse challenge model of coronavirus infection. The results of this study were published in the international, peer-reviewed journal, *Viruses,* in a special edition titled, *Medical Interventions for Treatment and Prevention of SARS-CoV-2 Infections*[4].

VIRALEZE™ achieved more than 99.99% reduction of the highly infectious Delta variant of SARS-CoV-2 in laboratory-based virucidal assays conducted at Scripps Research.

The broad-spectrum activity of VIRALEZE™ was further demonstrated with impressive results for SPL7013, in VIRALEZE™, against influenza A and B. SPL7013 achieved more than 90% reduction in viral infectivity of both influenza A and B viruses within one minute. SPL7013 also demonstrated irreversible virucidal properties against both types of influenza virus and outperformed other antiviral agents used in marketed nasal sprays.

Starpharma also reported the results of its VIRALEZE™ clinical safety study, with the product shown to be safe and well tolerated when administered nasally. SPL7013, the antiviral agent in VIRALEZE™, was not absorbed in the bloodstream following nasal application.

VIRALEZE™ is registered in more than 30 countries and is available in pharmacies, retail outlets and online in a number of countries. Sales of VIRALEZE™ have significantly increased in FY22.

Starpharma continued to pursue registration and commercialisation for VIRALEZE™ in multiple other countries, with regulatory submissions in progress and active commercial discussions underway. In Australia, the review by the TGA for the nasal spray application as a medical device is ongoing.

VivaGel® BV and VivaGel® condom

VivaGel® BV is registered in more than 45 countries and is sold under different brand names in the UK, Europe, Southeast Asia, South Africa, Australia and New Zealand. Regulatory approvals for VivaGel® BV were achieved in Bahrain and Qatar and pre-launch marketing activities have commenced. Starpharma's marketing partner, Mundipharma is also progressing further launches of VivaGel® BV in Asia. Starpharma continues to support Mundipharma and pursue registrations for VivaGel® BV in various other countries, including in Asia, the Middle East and Africa.

An important publication for VivaGel® BV was achieved in the highly regarded peer-reviewed European journal, *Archives of Gynecology & Obstetrics*. The publication highlights the significant unmet need for new treatment and prevention options in bacterial vaginosis (BV), and the role that Starpharma's VivaGel® BV can play in addressing that need. This publication will support marketing activities and importantly, the inclusion of the product in clinical management guidelines for BV.

Starpharma's partner, Okamoto, launched a new VivaGel® condom range in Japan, under the brand name *Pure Marguerite,* targeting younger demographics. The range is being distributed through major retail chains in Japan. Okamoto has also commenced regulatory processes for the VivaGel® condom in additional countries in Asia.

[1] Assessed for efficacy
[2] SARS-CoV-2 is the virus that causes COVID-19
[3] The study used the K18-hACE2 mouse model, which is an in vivo humanised mouse model that expresses the human angiotensin converting enzyme (hACE2) receptor, the receptor used by SARS-CoV-2 to infect cells in the human nasal cavity and respiratory tract.

[4] Paull, J.R.A. et al. Protective Effects of Astodrimer Sodium 1% Nasal Spray Formulation against SARS-CoV-2 Nasal Challenge in K18-hACE2 Mice (2021) *Viruses.* https://doi.org/10.3390/v13081656

Corporate

Ms Lynda Cheng was appointed as an independent non-executive director on 1 August 2021. Ms Cheng has more than 25 years of experience as a finance executive including more than 15 years at Visy Industries/Pratt Holdings and 10 years in investment banking.

Dr Jeff Davies, former CSL executive, was appointed as an independent non-executive director on 1 April 2022, bringing over 35 years of biopharmaceutical industry experience to Starpharma's Board. Dr Davies previously held senior roles at CSL, including Executive Vice President & General Manager at CSL for the Asia-Pacific region, and Global Head of Plasma Product Research and Development at CSL-Behring, Switzerland.

Mr Peter Turvey resigned as a non-executive director of Starpharma on 29 July 2021, due to ill health.

Starpharma participated in a number of international conferences during the year, including *American Society of Clinical Oncology* (ASCO), *BIO International,* the *Novel Format Conjugates Summit* and the *Partnership Opportunities in Drug Delivery* (PODD) conference.

COVID-19 pandemic

During the year, Starpharma's laboratory and internal operations continued to operate under a COVID safe plan, with minimal disruption. Starpharma's partners for VivaGel® BV have experienced some disruption to sales and marketing activities due to COVID-19, and in the US, where a formal FDA review process is ongoing, COVID-19 has impacted that review process and associated activities. Recruitment and treatment continued in all DEP® clinical trials during the period, however the impact of COVID-19 in the UK, where DEP® trials are taking place, has had an effect on the programs depending on site-specific factors including the trial site location and type of hospital.

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2022 through the date of this report that have significantly affected, or may significantly affect:
(a) the consolidated entity's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the consolidated entity's state of affairs in future financial years.

Strategy, future developments and prospects

Starpharma aims to create value for its shareholders through the clinical development and commercial exploitation of its proprietary products based on its patented dendrimer technology in pharmaceutical and healthcare applications. The company's key focus is to advance and broaden its product pipeline, including internal and partnered DEP® programs and to advance commercial opportunities for VivaGel® and VIRALEZE™. Starpharma intends to achieve this by continuing to utilise a combination of internally funded and partnered programs across its dendrimer portfolio. The company commercialises its development pipeline with corporate partners via licencing and sales and distribution agreements at various stages in a product's development lifecycle; depending on the product, patent opportunity, a partner's commercial strategy and relative strength of product and market expertise, comparison of current and future potential returns, and the risks involved in advancing the product to the next value inflection point or milestone.

Starpharma's strategy remains consistent with previous years. Starpharma has extensive expertise, a strong intellectual property portfolio, deep product portfolio, a culture and ability to innovate and develop its technology platform to commercial opportunities, proven risk management practices, and a strong cash position. The company will continue using its cash resources and revenues to invest in selected research and development activities to achieve its objectives.

Proceedings on behalf of the company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Review of Financials

Income statement	30 June 2022 $'000	30 June 2021 $'000
Revenue	4,899	2,151
Cost of goods sold	(2,776)	(791)
Other income	263	1,336
Research and product development expense	(11,680)	(15,075)
Commercial and regulatory operating expense	(3,568)	(3,336)
Corporate, administration and finance expense	(3,292)	(4,017)
Loss for the period	**(16,154)**	**(19,732)**

Income statement

The reported loss for the period was $16,154,000 (2021: $19,732,000).

Revenue for the year was up 128% to $4,899,000 (2021: $2,151,000), comprising $4,682,000 (2021: $1,798,000) for product sales, royalty, and research revenue from commercial partners, and interest income of $217,000 (2021: $353,000). Revenue received from commercial partners during the year were predominately product sales and royalties from VIRALEZE™ and VivaGel® products, with VIRALEZE™ sales to Vietnam a major contributor to revenue for the year.

Other income of $263,000 (2021: $1,336,000) represents $263,000 (2021: $877,000) of grant funding received from the Medical Research Future Fund (MRFF) to expedite development and commercialisation of VIRALEZE™.

Research and product development expense of $11,680,000 (2021: $15,075,000) includes the costs of the internal DEP® drug delivery programs including DEP® docetaxel, DEP® cabazitaxel, and DEP® irinotecan, and certain VIRALEZE™ development related expenditure. The expenditure was lower in the current year on reduced clinical trial expenditure for the internally funded DEP® programs, and VIRALEZE™ development costs. A contra research and development expense of $7,261,000 (2021: $7,248,000) has been recognised for activities eligible under the Australian Government's Research and Development Tax Incentive program.

Commercial and regulatory operating expense includes the expenditure related to the commercialisation of VivaGel®, VIRALEZE™ and the DEP® portfolio, including business development, marketing, regulatory, supply chain and quality assurance activities.

Corporate, administration and finance expense includes corporate costs, as well as gains/losses on foreign currency held. There was a decrease compared to the prior corresponding period predominately reflecting a favourable foreign currency movement of $940,000.

Balance sheet

At 30 June 2022 the group's cash position was $49,918,000 (June 2021: $60,500,000). Trade and other receivables of $7,916,000 (June 2021: $8,534,000) includes $6,747,000 (June 2021: $7,233,000) receivable from the Australian Government under the R&D tax incentive program. Non-current borrowings include the $4,000,000 Invest Victoria R&D loan from Treasury Corporation of Victoria. The increase in the right-of-use assets and lease liabilities over the prior year represents an extension period on the premises lease for a further 5-year term from December 2022.

Statement of cash flows

The net operating cash outflows for the year were $13,162,000 (2021: $14,808,000). Cash inflows from financing activities for the year include the $4,000,000 Invest Victoria R&D loan (2021: $46,931,000, includes net proceeds from an equity placement and share purchase plan).

Earnings Per Share

	2022	2021
Basic & diluted earnings/(loss) per share	($0.04)	($0.05)

Risk Management

The group is subject to business risks typical of companies operating in the biotechnology and pharmaceutical sectors at the development and early commercialisation phase. Any investment in these sectors is considered high-risk. Company management has implemented a risk management and internal control system in order to manage the group's material business risks.

The company's risk management system is comprised of four steps; 1) risk identification, 2) analysis, 3) implementation of mitigation controls & actions and 4) monitoring & reporting of identified risks.

The Audit & Risk Committee, on behalf of the Board, monitors the risk management system to ensure it is operating effectively and receives reports on material risks. The material and specific risks of the industry sector and the group identified through the company's risk management system include, but are not limited to:

- Scientific, technical and clinical – product development requires a high level of scientific rigour, the outcomes of which cannot be known beforehand. Activities are experimental in nature, so the risk of failure, unexpected outcomes or delay is both material. Key development activities, including clinical trials, are undertaken by specialist contract research organisations; and there are risks in designing and completing those activities, including managing the quality and timelines of these activities.
- Regulatory – company products and their testing may not be approved, or may be delayed, amended or withdrawn, by regulatory bodies (e.g. US Food and Drug Administration) whose approvals are necessary before products can be sold in market. Changes in the regulatory environment may also impact product development and commercialisation. Breach of regulations, local or international law, or industry codes of conduct may subject the company to financial penalty and reputational damage.
- Financial – the group currently, and since inception, does not receive sufficient recurrent income to cover operating expenses. Although current cash reserves are sound, there is no certainty that additional capital funding may not be required in the future, and no assurance can be given that such funding will be available, if required.

  Intellectual property (IP) – commercial success requires the ability to develop, obtain and maintain commercially valuable patents, trade secrets and confidential information. Securing, defending and maintaining IP across multiple countries and preventing the infringement of the group's exclusive rights involves management of complex legal, scientific and factual issues. The company must also operate without infringing upon the IP of others.
- Commercialisation – the company predominately relies, and intends to largely rely, upon corporate partners to market, distribute and in some cases finalise development and registration of its products, on its behalf. There are risks in establishing and maintaining these relationships, and with the manner in which partners execute on these agreements.
- Product manufacturing and supply – the company is required to manufacture and supply product under certain licencing and distribution agreements, and under highly stringent quality and regulatory requirements. The manufacture of product is undertaken by specialist, regulatory approved, third party contract manufacturing organisations experienced in the sector. There is a risk of quality/failure of manufacture and a risk that supply chain disruptions lead to manufacturing and supply delays/interruptions which could impact profitability and/or damage relationships with partners. Further, changes in economic circumstances may increase the cost and availability of product, negatively impacting the business.
- Product acceptance and competitiveness – a developed product may not be considered by key opinion leaders (eg. doctors), reimbursement authorities (eg. Pharmaceutical Benefits Scheme listing) or the end customer to be an effective alternative to products already on market, or other products may be preferred.
- Product liability – a claim or product recall may significantly impact the company. Insurance, at an acceptable cost, may not be available or be adequate to cover liability claims or any product recall costs (if any) if a product is found to be unsafe.
- Key personnel – the company's success and achievements against timelines depend on key members of its highly qualified, specialised and experienced management and scientific teams. The ability to retain and attract such personnel is important.
- Grant and R&D incentives – the company may undertake R&D activities part-funded by incentive programs (eg. R&D tax incentive) and under other competitive grants. There is no certainty that grants or incentive programs will continue to be available to the company, and changes in government policy may reduce their applicability.
- Cyber security and data protection – the company recognises the increasing risk associated with cyber security and the potential impact on business operations.
- Environment and climate change impact – the company continues to identify and manage any material risks and opportunities presented by a changing global climate. Currently the impact of climate change has been assessed to not be a material risk on the company's business activities. The company is committed to reducing and minimising its environmental impact across the business and value chain to support more sustainable operations and to improve human health.

In accordance with good business practice in the pharmaceutical industry, the group's management actively and routinely employs a variety of risk management strategies. These are broadly described in the Corporate Governance Statement (section 7.2 Risk assessment and management).

Health and Safety

The Board, Chief Executive Officer and senior management team of the group are committed to providing and maintaining a safe and healthy working environment for the company's employees and anyone entering its premises or with connections to the company's business operations. Employees are encouraged to actively participate in the management of occupational health and safety (OH&S) issues. The company has adopted an OH&S policy and has an established OH&S Committee as part of its overall approach to workplace safety. The OH&S Committee provides a forum for management and employees to consult on health and safety matters. The primary role of the OH&S Committee is to coordinate the development and implementation of OH&S policy and procedures, to consider any work-related safety matters or incidents, and to ensure compliance with relevant legislation and guidelines. The committee includes representatives of management, and employees from each operational area generally in proportion to the number of people working in the area and the perceived safety risks associated with working in that area.

The OH&S Committee meets on a regular basis over the year. Updates on OH&S matters are provided at Board meetings.

Additional OH&S practices were implemented and monitored since the emergence of the COVID-19 pandemic, under the guidance of a specific COVID-19 management response team. Measures implemented include working from home and social distancing requirements.

Environment and Regulation

The group is subject to environmental regulations and other licenses in respect of its research and development facilities and there are adequate systems in place to ensure compliance with relevant Federal, State and Local environmental regulations. The Board is not aware of any breach of applicable environmental regulations by the group. There were no significant changes in laws or regulations during the 2022 financial year or since the end of the year affecting the business activities of the group, and the Board is not aware of any such changes in the near future.

Meetings of Directors

The number of meetings of the company's Board of Directors and of each committee held during the year ended 30 June 2022, and the numbers of meetings attended by each director were:

Directors	Board	Audit & Risk Committee	Remuneration & Nomination Committee
R B Thomas	11 of 11	2 of 2	5 of 5
J K Fairley	11 of 11	N/A	N/A
P R Turvey[1]	0 of 2	0 of 0	0 of 2
Z Peach	11 of 11	2 of 2	5 of 5
D J McIntyre	11 of 11	2 of 2	N/A
L Cheng[2]	9 of 9	2 of 2	3 of 3
J R Davies[3]	2 of 2	N/A	1 of 1

The table above illustrates the number of meetings attended compared with the number of meetings held during the period that the director held office or was a member of the committee. "N/A" denotes that the director is not a member of the relevant committee.

[1] P R Turvey was granted a special leave of absence during the year for health reasons. P R Turvey resigned as a non-executive director on 29 July 2021.
[2] L Cheng was appointed as a non-executive director on 1 August 2021.
[3] J R Davies was appointed as a non-executive director on 1 April 2022.

The remuneration report for the year ended 30 June 2022 sets out remuneration information for non-executive directors, executive directors and other key management personnel of the group. The remuneration report is presented under the following sections:

1. Introduction, including impact of COVID-19 on remuneration
2. Remuneration governance
3. Non-executive director remuneration policy
4. Executive remuneration policy
    a) Approach to setting and reviewing remuneration
    b) Remuneration principles and strategy
    c) Details of executive equity incentive plans
    d) Grant of equity incentives to KMP executives in FY22
5. Executive remuneration outcomes, including link to performance
6. Details of remuneration
7. Executive employment agreements
8. Additional disclosures relating to employee equity schemes

1. Introduction

Remuneration strategy
Starpharma aims to ensure that its remuneration strategy aligns the interests of its executives and employees with those of its shareholders. In framing its remuneration strategy, the Board is conscious that Starpharma only has a small number of employees (~50) so endeavours to keep its remuneration relatively straightforward. Starpharma's staff are required to have specialist knowledge and experience allowing them to develop products over the medium to long-term. The fact that Starpharma operates in a global pharmaceutical industry environment also influences its remuneration strategy.

The structure of remuneration comprises fixed remuneration, short-term incentives ("STI") in both cash and equity, and equity based long-term incentives ("LTI"). Starpharma's remuneration structure is transparent and based on Key Performance Indicators ("KPIs") which are designed to align with the interests of shareholders and to reward performance across multi-year timeframes related to product development value-adding milestones. In some cases, the Board may exercise discretion to take account of events and circumstances not envisaged.

The remuneration and nominations committee and Board explicitly considered the FY22 share price underperformance in determining the STI cash bonus and STI deferred equity incentives for FY22, and in setting appropriate remuneration for directors and executives for the forward year.

Impact of COVID-19 on remuneration
In the course of assessing the CEO and Executive's achievement of long term Corporate KPIs for the three-year period to 30 June 2022, the Board identified specific areas where performance measures required minor amendment to take account of unforeseen circumstances and new opportunities, which arose as a result of COVID-19 and the persistent conditions, and as such, determined to use its discretion to adjust for appropriate outcomes. The circumstances include the unforeseen development and commercialisation of VIRALEZE™ nasal spray as well as the impact on clinical timelines of pauses or delays to patient recruitment of the DEP® and potential VivaGel® BV clinical trials due to COVID-19 and the associated impact on partnering opportunities. The Board carefully exercised independent judgement and discretion in relation to these specific long term KPIs to ensure that the remuneration outcomes appropriately reflect the overall performance of Starpharma during the period, to align with the experience of shareholders while also taking into consideration the unforeseen impacts and opportunities created by the global pandemic.

Key management personnel
The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly including any director (whether executive or otherwise) of the parent.

The table below outlines the KMP of the group during the financial year ended 30 June 2022. The individuals were KMP for the entire financial year, except where indicated in the table below. For the purposes of this report, the term "KMP executives" includes the executive director and other KMP executives of the group. "Other KMP executives" refers to KMP executives excluding the CEO. Profiles for each of the directors and company secretary can be found at the beginning of the Directors' Report.

(i) Non-executive directors

R B Thomas	Non-executive Chairman
P R Turvey	Non-executive Director (Deputy Chairman), resigned 29 July 2021
Z Peach	Non-executive Director
D J McIntyre	Non-executive Director
L Cheng	Non-executive Director, appointed 1 August 2021
J R Davies	Non-executive Director, appointed 1 April 2022

(ii) Executive director

J K Fairley	Chief Executive Officer & Managing Director (CEO)

(iii) Other KMP executives

N J Baade	Chief Financial Officer & Company Secretary
A Eglezos	VP, Business Development
D J Owen	VP, Research, resigned 6 May 2022
J R Paull	VP, Development & Regulatory Affairs

2. Remuneration governance

The Remuneration and Nomination Committee, consisting of at least three independent non-executive directors, advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for non-executive directors, KMP executives and other senior executives. Where required, external remuneration advice may be sought by the Remuneration and Nomination Committee or the Board.

Specifically, the Board approves the remuneration arrangements of the CEO including awards made under the STI and LTI plans, following recommendations from the Remuneration and Nomination Committee. The Board approves, having regard to recommendations made by the CEO to the Remuneration and Nomination Committee, the level of remuneration, including STI and LTI awards, for executives. The Board also sets the aggregate fee pool for non-executive directors (which is subject to shareholder approval) and non-executive director fee levels.

The company's remuneration structure aims to:

- Attract and retain exceptional people to lead and manage the group and to support internal development of executive talent within the group, recognising that Starpharma is operating in a competitive global pharmaceutical industry environment;
- Drive sustainable growth and returns to shareholders, as executives are set both short-term and long-term performance targets which are linked to the core activities necessary to build competitive advantages and shareholder value;
- Motivate and reward superior performance by the executive team whilst aligning performance elements/KPIs to the interests of shareholders; and
- Create a respectful culture based on superior performance and innovation through appropriately structured individual assessments.

Benchmarking
Extensive salary and remuneration benchmarking is undertaken by Starpharma each year for executive and non-executive positions. Starpharma benchmarks fixed and total remuneration against employment positions of comparable specialisation, size and responsibility within the industry. Fixed remuneration is supplemented by providing incentives (variable remuneration) to reward superior performance.

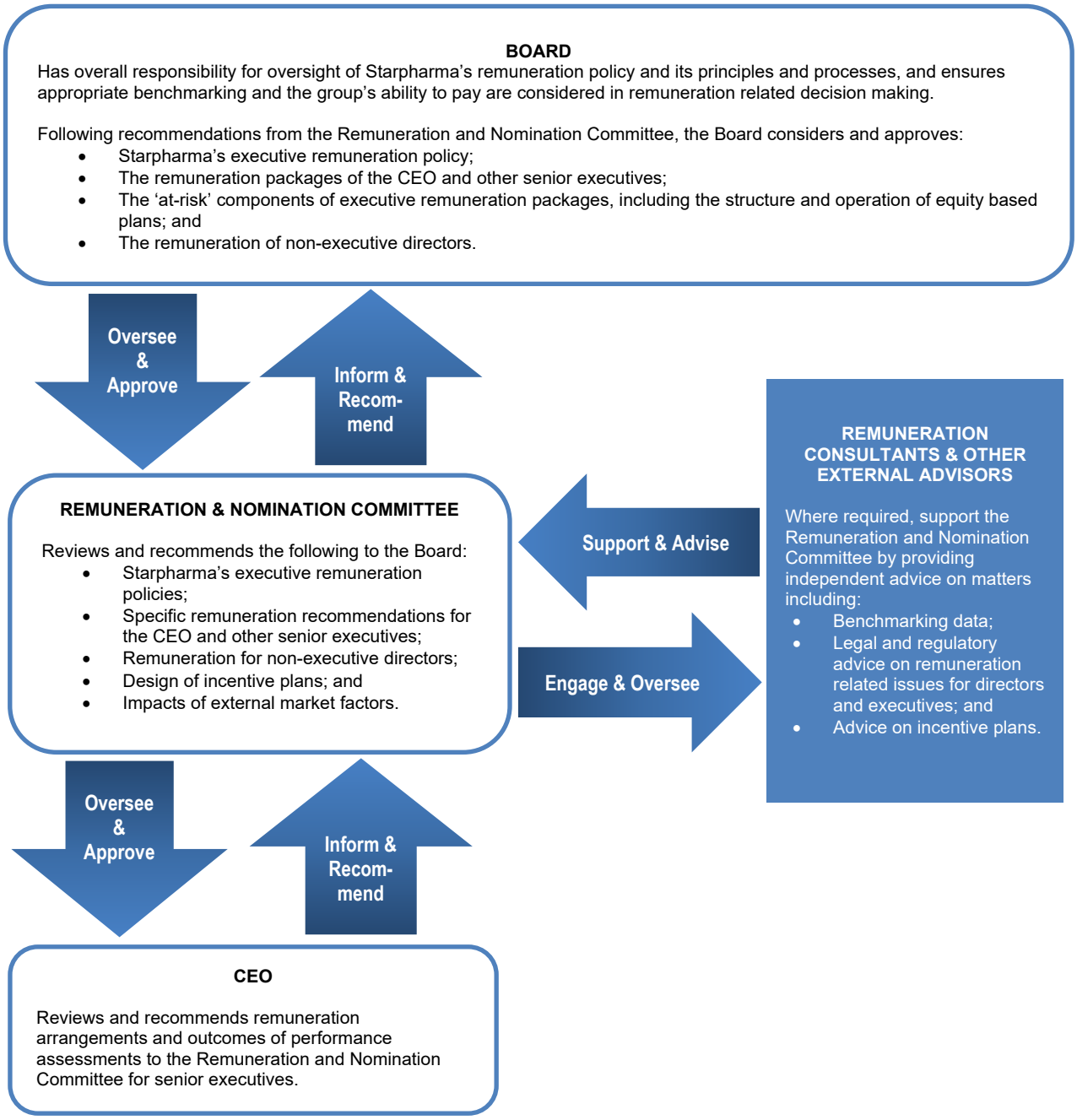
Performance reviews
At the beginning of a performance period all staff have KPIs set, specific to their role. At the conclusion of the performance period a performance review against these KPIs is conducted and this feeds into the annual salary review process. The performance reviews consider behavioural and cultural aspects of performance, as well as objective planning and professional and personal development. The objective of the salary review is to ensure that all employees are appropriately remunerated based on performance, that remuneration is competitive within the relevant industry sector, and that increases in employees' skills and responsibilities are recognised. During the year a performance review of all staff took place in accordance with this process. As part of the process, each employee's performance is assessed against their pre-agreed individual KPIs and/or business unit performance and corporate KPIs and this assessment determines, subject to business considerations such as cash availability, if an incentive award is payable, and if so, at what level.

Use of remuneration consultants
If remuneration consultants are to be engaged to provide remuneration recommendations as defined in section 9B of the *Corporations Act 2001*, they are to be engaged by, and report directly to, the Remuneration and Nomination Committee. No remuneration consultants have been engaged to provide such remuneration services during the financial year.

Voting at the company's 2021 Annual General Meeting (AGM)
Of the votes cast on the company's remuneration report for the 2021 financial year, over 92% were in favour of the resolution.

As part of the group's commitment to continuous improvement, the Remuneration and Nomination Committee and the Board consider comments made by shareholders and proxy advisers in respect of remuneration related issues. Members of the Remuneration and Nomination Committee routinely engage with proxy advisors to discuss a range of governance and remuneration matters.

Starpharma remuneration process summary



Further information on the Remuneration and Nomination Committee's role, responsibilities and membership is outlined in the charter available at http://www.starpharma.com/corporate_governance.

Trading in company securities
The trading of shares issued to participants under any of the company's employee equity plans is governed by the company's securities dealing policy. All employees and directors are prohibited from entering into any hedging arrangements over unvested securities and from margin lending on Starpharma securities. Further information regarding the company's dealing in securities policy is set out in the Corporate Governance Statement and the policy is available at http://www.starpharma.com/corporate_governance.

Clawback of remuneration
In the reasonable opinion of the Board, if a KMP executive has acted fraudulently or dishonestly, the Board may determine that any equity right (including an exercisable, vested right) should lapse.

3. Non-executive director remuneration policy

Determination of fees and the maximum aggregate fee pool
The Board seeks to set non-executive directors' fees at a level which provides the group with the ability to attract and retain non-executive directors of the highest calibre with relevant professional expertise. The fees also reflect the demands which are made on, and the responsibilities of, the non-executive directors, whilst incurring a cost which is acceptable to shareholders.

Non-executive directors' fees and the aggregate fee pool are reviewed annually by the Remuneration and Nomination Committee against fees paid to non-executive directors in a group of comparable peer companies within the biotechnology sector and relevant companies in the broader ASX-listed market. The Chairman's fees are determined by the Remuneration and Nomination Committee independently of the fees of non-executive directors based on the same role, again using benchmarking data from comparable companies in the biotechnology sector. The Board is ultimately responsible for approving any changes to non-executive director fees, upon consideration of recommendations put forward by the Remuneration and Nomination Committee.

The company's constitution and the ASX listing rules specify that the non-executive directors' maximum aggregate fee pool shall be determined from time to time by a general meeting of shareholders. The latest determination was at the AGM held on 20 November 2014 when shareholders approved an aggregate fee pool of $550,000. The Board will not seek any increase in the non-executive directors' maximum fee pool at the 2022 AGM.

Fee policy
Non-executive directors' fees consist of base fees and committee fees. The payment of committee fees recognises the additional time, responsibility and commitment required by non-executive directors who serve on board committees. The Chairman of the Board is a member of all committees but does not receive any committee fees in addition to his base fee.

Non-executive directors did not receive bonuses or forms of equity securities, or any performance-related remuneration during the financial year. Statutory superannuation contributions are required under the Australian superannuation guarantee legislation to be paid on any fees paid to Australian directors. There are no retirement allowances paid to non-executive directors. The non-executive directors' fees reported below include any statutory superannuation contributions.

Fees paid in FY22
The aggregate amount paid to non-executive directors for the year ended 30 June 2022 was $399,699 (2021: $396,902). In FY21, the Chair base fee increased $5,000 to $134,000 (reverting back to the FY20 level), with the base director fees increasing by $2,000 to $70,000 for non-executive directors. Committee chair and member fees increased $500 to $11,000 for the committee chair and $5,000 for a committee member. The details of remuneration for each non-executive director for the years ended 30 June 2022 and 30 June 2021 are outlined in the tables in section 6.

Proposed fee adjustments for FY23
From 1 July 2022, there is no proposed change in non-executive director fees which remain at the lower end of benchmarks, as outlined in the table below.

Annual Non-Executive Directors' Fees		Proposed Fees from 1 July 2022	Actual Fees to 30 June 2022
Board fees		**$**	**$**
Chair (no additional fees for serving on Board committees)		134,000	134,000
Deputy Chair		73,000	73,000
Base fee for other non-executive directors		70,000	70,000
Committee fees			
Audit and Risk Committee	Chair	11,000	11,000
	Member	5,000	5,000
Remuneration and Nomination Committee	Chair	11,000	11,000
	Member	5,000	5,000

4. Executive remuneration policy

a) Approach to setting and reviewing remuneration
The group aims to reward executives with a level and mix of remuneration appropriate to their position, skills, experience and responsibilities, whilst being market competitive and enabling the company to retain staff whilst structuring awards which conserve cash reserves.

The Remuneration and Nomination Committee, together with the Board, actively reviews the group's remuneration structure, and benchmarks the overall package and proportion of fixed remuneration, short-term incentives and long-term incentives against relevant industry comparators to ensure the policy objectives are met and are in-line with good corporate practice for Starpharma's size, industry and stage of development. Remuneration levels are considered annually through the remuneration review, which considers industry benchmarks and the performance of the group and the individual. Other factors taken into account in determining remuneration include a demonstrated record of performance and the group's ability to pay. In the case of executives, the CEO provides recommendations to the Remuneration and Nomination Committee.

Starpharma undertakes remuneration benchmarking each year with reference to multiple industry peers, together with, where appropriate, other benchmarking reports which apply to specific positions. A group of peer companies from within the pharma/biotechnology sector are included in the benchmarking exercise. In the benchmarking conducted, for FY22, the peer companies included Antara Lifesciences, Amplia Therapeutics, Bionomics, Clinuvel, Immutep, Impedimed, Imugene, Mayne Pharma, Medical Developments International, Mesoblast, Monash IVF, Nanosonics, Pharmaxis, Polynovo, Opthea, Telix, and Virtus Health. Starpharma typically reviews and develops this benchmark list of peer companies annually to add and remove companies based on their current operations; their size; market capitalisation; and the complexity of their business. For some executive roles it may be necessary to add or modify the composition of the peer group to ensure comparable roles are benchmarked.

In reviewing the benchmarking data and determining the level of CEO pay, the Board considers the experience and calibre of its CEO in comparison to Starpharma's industry peers, ensuring that remuneration is commensurate with talent, skills and experience. There are no guaranteed base pay increases or bonuses in any executive contracts.

The CEO has a maximum cash bonus entitlement as a component of STI, which for FY22 was $256,769, representing a target of 15% of total remuneration. Other executives do not have a pre-specified maximum cash bonus entitlement; however, bonuses are awarded from a target shared pool for executives as a percentage of total fixed remuneration, based on personal and business unit KPIs and subject to cash availability. The Remuneration and Nomination Committee considers that this approach provides flexibility in rewarding superior executive performance and is appropriate for the size of the company at this time, enabling it to manage its cash reserves as required. For FY22, the STI target cash bonus pool for other KMP executives was 26% of fixed remuneration to align with the strategy to balance the STI 'at risk' portions of remuneration for other KMP executives between cash and equity.

b) Remuneration principles and strategy

The group's executive remuneration strategy is designed to attract, motivate and retain high performing individuals and align the interests of executives with shareholders, recognising it is operating in the international pharmaceutical industry, and is summarised below.

Remuneration strategy linkages to group objectives

Align the interests of executives with shareholders

- The remuneration framework incorporates "at risk" components, which are determined by performance, through STI and LTI
- Performance is assessed against a suite of measures relevant to the success of the group and generating growth and returns for shareholders

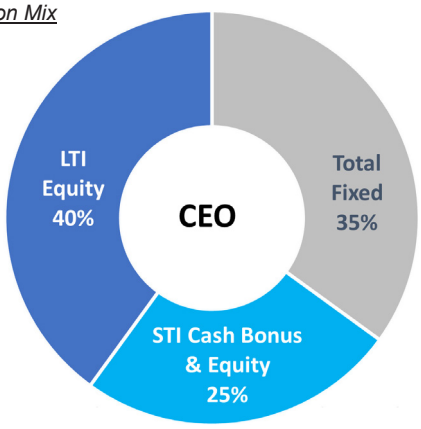
Attract, motivate and retain high performing individuals

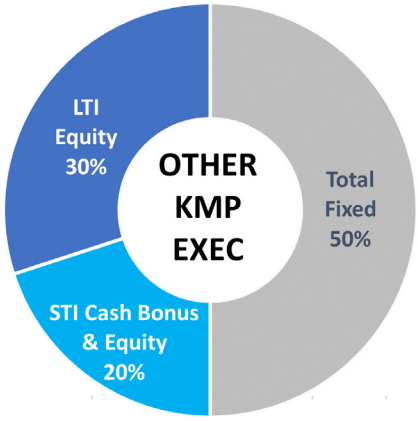
- The remuneration offering is competitive for companies of similar size and complexity within the industry through benchmarking
- The mix of short and longer-term remuneration encourages retention and performance across multiple years as appropriate for the lifecycle of the group

Component	Vehicle	Purpose	Link to Performance
Fixed remuneration	Base salary, superannuation contributions and other benefits (breakdown of fixed remuneration is at the executive's discretion).	To provide competitive fixed remuneration set with reference to the role, market and experience.	Group and individual performance are considered during the annual remuneration review.
Short-Term Incentives (STI) (Performance period of less than 3 years)	Cash and equity The equity instrument is currently performance rights, which is based on a performance assessment, with a one year performance period and deferred vesting of a further one year, subject to continued employment.	Rewards executives for their contribution to achievement of business outcomes. Deferred equity acts as a retention tool and aligns with interests of shareholders.	Allocation of cash bonuses and vesting of equity linked to internal KPIs, both business unit and corporate, over the medium term which are important drivers of value and typical within the biotechnology industry. For example, achievement of specified development, clinical, regulatory and commercial milestones.
Long-Term Incentives (LTI) (Performance period of 3 years or more)	Equity The equity instrument is currently performance rights with a 3-year performance period.	Rewards executives for their contribution to the creation of shareholder value over the longer term, acts as a retention tool and aligns with interests of shareholders.	Vesting of grants are dependent on internal measures, both business unit and corporate over the longer term; and total shareholder return (TSR) relative to the S&P/ASX300 Index.

The target remuneration mix is outlined in the diagrams below.

Target Remuneration Mix

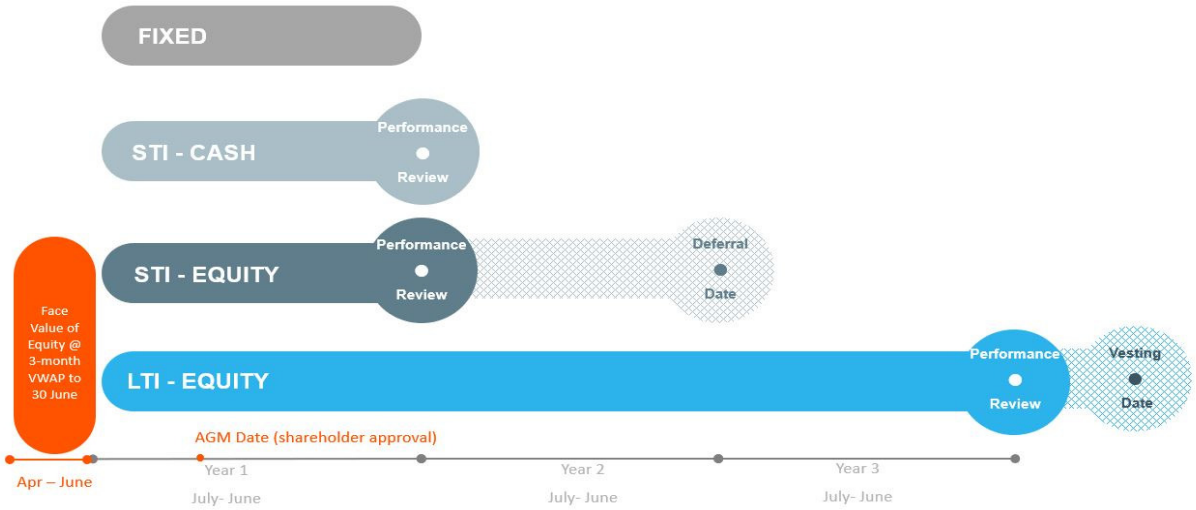




4. Executive remuneration policy (continued)

The STI and LTI components of remuneration are variable and are linked to pre-determined performance conditions, such as KPIs, that are designed to reward executives based on the company's performance, the performance of the relevant business unit and demonstrated individual superior performance. The details are outlined on pages 26 to 29 of this report.

To achieve the target remuneration mix, the below performance pay structure was adopted in FY22 and is consistent with the prior years, except in FY21 there was additional STI equity awarded related to FY20 performance as no cash bonuses were awarded to KMP executives for the performance period 1 July 2019 to 30 June 2020, with STI equity awarded in lieu of cash bonuses.



c) Details of executive equity incentive plans

Starpharma Short-Term Incentives (STI) – includes cash bonus and short-term equity

The group operates an annual STI program available to executives and awards cash and equity incentives subject to the attainment of clearly defined KPIs. The STI is 'at risk' remuneration and subject to achieving relevant KPIs.

Who participates?	Executives
How are STIs delivered?	Cash bonus and performance rights, both based on a one year performance period, with the performance rights conditional upon a deferred vesting date of a further one year, subject to continued employment. Providing some rights that vest in the short-term allows the company to preserve cash by offering equity as a short-term incentive in addition to smaller cash bonuses. This is common practice for companies at a similar stage of their life cycle. During FY22 the CEO and executives were awarded STI equity with a 1 year performance period (1 July 2021 to 30 June 2022), with a deferred vesting date of 30 June 2023 dependent on continued employment to the vesting date.
What is the STI opportunity?	The STI opportunity is a target of ~25% and ~20% of total remuneration for the CEO and other KMP executives, respectively. The CEO STI opportunity for FY22 was equal to the 25% target, comprising of a cash component (~60%) and an equity component (~40%). The STI cash opportunity component was equivalent to 45% of total fixed remuneration. Other KMP executives were awarded STI equity for the 1 July 2021 to 30 June 2022 performance period based on the achievement of their pre-determined KPIs. In FY22, other KMP executives had an average target STI opportunity of 20% of total remuneration. The cash bonuses awarded to other KMP executives in FY22 equated to an average of 13% of total remuneration or an average of 26% of total fixed remuneration, based on achievements in the year.

What are the STI performance conditions for FY22?

Actual STI payments awarded to each executive depend on the extent to which they meet specific KPIs set at the beginning of the period. The KPIs are typical of a biotechnology company at Starpharma's stage of development, and may include corporate KPIs and business unit KPIs relating to strategic and operational objectives. Details of the corporate KPIs for performance, which was assessed during FY22, are explained in section 5 of the remuneration report. Given the company's stage of development, financial metrics (such as earnings per share) are not entirely relevant in linking pay to performance.

The proportion of performance measures applicable in determining STI awards for the CEO and other executives are noted in the table below:

	Corporate KPIs	Business Units KPIs
STI cash bonus	CEO 100%	Other executives 100%
STI performance rights	CEO 100% Other executives 30%	Other executives 70%

Details regarding LTI performance conditions are contained on page 28.

How is performance assessed?

At the end of each performance period (typically annually), after consideration of actual performance against KPIs, the Remuneration and Nomination Committee recommends for Board approval of the amount of STI to be paid from the maximum entitlement to the CEO.

For executives other than the CEO, the Remuneration and Nomination Committee seeks recommendations from the CEO, and then makes recommendations to the Board.

When is performance assessed and when are awards paid or vest?

The end of the financial year corresponds with the end of each performance period. Performance is assessed following the end of the financial year to allow for timely disclosure in the annual remuneration report. This is usually within two months of the end of the financial year.

The STI cash component is paid approximately three months following the end of the financial year and once the performance assessment review is complete.

For STI equity, a proportion of rights, based on the performance assessment, will remain available (deferred) to vest on 30 June the following year. Any rights forfeited based on the performance assessment will be forfeited within the first three months of the new financial year following the performance assessment.

The vesting of deferred rights on 30 June is subject to the continued employment condition being satisfied. Once vested, KMP executives can elect to convert vested rights into shares during prescribed exercise windows throughout future periods. The maximum period for the exercise of vested rights is 15 years from grant date.

Is performance against KPIs disclosed?

Whilst the company's policy is not to disclose commercially sensitive information, consistent with best practice disclosure obligations, it will retrospectively disclose achievement of corporate KPIs to the extent commercially practicable.

Specific metrics are applied to each KPI to assist in the assessment undertaken for each performance period. In some cases, the Board may exercise discretion to take account of events and circumstances not envisaged.

Contractual entitlement?

Only the CEO has a STI cash bonus entitlement whereby the maximum amount achievable is set. There is no predetermined STI equity entitlement. No other executive service agreements contain any contractual entitlement to STI cash or equity.

What happens if an executive leaves?

If an employee ceases employment, all unvested rights lapse.

In certain circumstances the Board may determine the accelerated vesting of rights if the employee ceases employment due to death, illness, permanent disability, redundancy or any other exceptional circumstance approved by the Board. The Board determination is after considering theportion of the performance period that has elapsed and the extent to which performance conditions have been met.

What happens on a change of control?

Board discretion, after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met.

What happens in the case of fraud/dishonesty?

If, in the opinion of the Board, an employee has acted fraudulently or dishonestly, the Board may determine that any unvested right granted to that employee, or any vested right, not exercised, would lapse.

Re-testing

There is no re-testing of KPIs in subsequent years if performance conditions are not met.

How is the conversion of performance rights to shares satisfied?

The conversion of performance rights is currently satisfied by the issue of new shares, rather than a purchase of shares on market, to conserve the company's cash reserves. This is common practice for companies at a similar stage of their life cycle. This is reviewed periodically and purchases of shares on market may be undertaken in the future if appropriate.

Are performance rights eligible for dividends?

Performance rights - whether unvested, or vested and not exercised, are not eligible to receive dividends.

4. Executive remuneration policy (continued)

Starpharma Long-Term Incentives (LTI) – Equity

Participation in these plans is at the Board's discretion. For key appointments, an initial allocation of long-term equity incentives may be offered as a component of the initial employment agreement. The LTI is 'at-risk' remuneration and subject to achieving the relevant KPIs.

Who participates?	Executives
How are LTIs delivered?	Performance rights with a performance/vesting period of 3 years or more. The LTI performance rights awarded during FY22 have 3 year performance periods for all executives.
What is the LTI opportunity?	The CEO's LTI opportunity for FY22 was 41% of total remuneration. For other KMP executives, the LTI opportunity for FY22 was 27% of total remuneration. As outlined in section 4 of the remuneration report, the target LTI opportunity is 40% and 30% of total remuneration for the CEO and other KMP executives, respectively.
What are the LTI performance conditions for the performance period to 30 June 2022?	Corporate KPIs reflect long-term (3 year) strategic, operational and financial management objectives. These relate to key value creating events and significant milestones that are linked to Starpharma's business areas. For the 3-year performance period to 30 June 2022 these were: • The monetisation of the VivaGel® and DEP® drug delivery portfolios represented by the generation of revenue; or value from assets sales(s); through the completion of a number of commercial deals that build shareholder value; and • Optimisation of returns from VivaGel® revenue, development of new DEP® candidates and/or the licensing (and/or asset sales) of DEP® candidates. Due to the commercially sensitive nature of the specific performance metrics within these KPIs, Starpharma will retrospectively disclose achievement of corporate KPIs to the extent commercially practicable in the annual report. In maintaining the link between executive remuneration outcomes and the returns to shareholders, relative total shareholder return ("TSR") is considered a relevant performance condition in respect of LTIs. The relative TSR hurdle reflects Starpharma's TSR compared to the S&P/ASX300 Accumulation Index (Index), and includes share price growth, and any dividends and capital returns. The Board has chosen this Index for the TSR comparator group as it provides an external, market-based performance measure to which the company's performance can be compared in relative terms. The Index is considered appropriate as it provides a comparison of shareholder returns that is relevant to investors, and reflects the aspiration of the company. The Board considers that the Index is a more appropriate comparator than a customised group of peer companies due to the inherent volatility of each of these companies, typical within the biotechnology industry. In the past, the performance of Starpharma's industry peers has been particularly volatile, with a number of companies experiencing significant decreases in market capitalisation, and a number have gone through some type of corporate activity (e.g. takeovers) or are no longer ASX listed. Given that the relative TSR is measured over a three year period, the Index is favoured as a more stable and appropriate comparator. Also, the published S&P/ASX 200 Healthcare Index was considered as a possible comparator, however, was determined to be inappropriate given its concentrated composition including CSL Limited and other large service oriented companies, such as private hospitals. Each year, the Remuneration and Nomination Committee, and the Board, review the suitability of the Index as a comparator. To achieve the full relative TSR performance condition, Starpharma's TSR must achieve 10% per annum (or 30% over 3 years) above the Index, which is considered a realistic stretch target. The table below sets out the percentage of performance rights that will vest depending on the company's TSR compared to the Index over the relevant period.

Annualised Starpharma TSR compared with the Index	Percentage of rights subject to the relative TSR performance condition which vest
Below Index	0%
Equal to Index	50%
Between Index and Index + 9.99%	Pro rata basis from 51% to 99%
At least 10% per annum above Index (or ≥ 30% over 3 years)	100%

For example, if the TSR of the Index is 10% per annum, then Starpharma would need to achieve a TSR of 20% per annum or more for all of the relative TSR related performance rights to vest. The above hurdle recognises the return that investors expect when investing in the biotechnology sector. The Board considers an additional return of 10% per annum (or 30% over 3 years) above the Index to be a realistic stretch target for all relative TSR rights to vest.

The performance measures applicable in determining LTI awards for the CEO and other executives and the relative proportions are noted in the table below:

	Corporate KPIs	TSR	Business Unit KPIs
CEO	70%	30%	N/A
Other executives	15%	15%	70%

The Board considers 30% and 15% of LTI equity as the appropriate portion for relative TSR for the CEO and other executives, respectively. In determining the percentages, the Board considered input from investors and proxy advisers to arrive at a level that is considered meaningful as a measure of performance, and sufficient to be relevant.

The relative TSR performance measure does not allow for a portion of the award to vest at below median performance, which is consistent with good market practice. Additionally, the Board maintains absolute discretion in finalising remuneration outcomes for incentive-based awards to the CEO and other executives. The Board may exercise its discretion (either up or down) to take into account the impacts of external market conditions outside the control of management. The Board is cognisant of ensuring fairness and that any exercise of discretion reinforces Starpharma's strategy and remuneration policy. Accordingly, in the event that the Index has performed particularly poorly, the Board may exercise its discretion to prevent excessive executive awards in years of poor shareholder returns.

How is performance assessed?	At the end of each performance period, after consideration of actual performance against KPIs, the Remuneration and Nomination Committee recommends the amount of LTIs to vest to the CEO for approval by the Board. For executives other than the CEO, the Remuneration and Nomination Committee seeks recommendations from the CEO, and then make recommendations to the Board. Relative TSR is calculated independently by a professional services firm with specialist expertise.
When is performance assessed and when are awards paid or vest?	The end of the financial year corresponds with the end of each performance period. Performance is assessed following the end of the financial year to allow for the timely disclosure in the annual remuneration report. This is usually within two months of the end of the financial year. For LTI equity, the rights will vest on 30 September following the performance assessment. Once vested, KMP executives can elect to convert vested rights into shares during prescribed exercise windows throughout future periods. The maximum period for the exercise of vested rights is 15 years from grant date.
Is performance against KPIs disclosed?	Same as for STI.
Contractual entitlement?	There are no predetermined LTI equity entitlements.
What happens if an executive leaves?	Same as for STI.
What happens on a change of control?	Same as for STI.
What happens in the case of fraud/dishonesty?	Same as for STI.
Re-testing	Same as for STI.
How is the conversion of performance rights to shares satisfied?	Same as for STI.
Are performance rights eligible for dividends?	Same as for STI.

4. Executive remuneration policy (continued)

d) Grant of equity incentives to KMP executives in FY22

In FY22, the Board determined the number of rights granted for STI and LTI equity based on the face value of rights (see below) and the target remuneration mix as set out on page 25.

Starpharma uses and reports face value for determining the allocation of equity as it provides transparency on the value of the allocations compared with fair value. This practice reflects the increasingly accepted view by industry that presenting remuneration equity at face value provides a more accurate representation of the true value of that equity and for users to understand the value of these awards.

The face value of each right is based on the volume weighted average price ("VWAP") of the company's shares traded on the ASX over the 3-month period to 30 June 2021, which reflects the beginning of the performance period. The 3-month period has been determined to be the appropriate duration for the calculation of the VWAP as it limits any unintended consequences of short-term volatility in the company's share price and is consistent with the duration used in the calculation of TSR for the relative TSR performance condition. The face value is not adjusted for changes (increase or decreases) in share price post 30 June, which has been the practice since 2015. The face value for each right was $1.7706.

The below tables summarise the equity incentives granted in FY22:

		Deferred STI equity	LTI equity
	Performance Period	1 July 2021 to 30 June 2022	1 July 2021 to 30 June 2024
	Deferral Period	12 months from end of performance period	Not applicable
	Vesting Date	30 June 2023	30 September 2024
	Face Value per Right	Based on 3-month VWAP to 30 June 2021 of $1.7706	
	Method for calculating number total value of grant at face value divided by the face value per right of rights	Total value of grant at face value divided by the face value per right	
J K Fairley (CEO and Managing Director)	Face Value of grant	$174,708	$698,834
	Number of Rights	98,672	394,688
	Fair value per AASB2[#]	$107,795	$372,710
	Performance Conditions	100% Corporate KPIs	70% Corporate KPIs 30% relative TSR
J Paull (Other KMP executives)	Face Value of grant	$54,534	$218,138
	Number of Rights	30,800	123,200
	Fair value per AASB2[†]	$35,124	$130,961
	Performance Conditions	70% Business Unit KPIs 30% Corporate KPIs	70% Business Unit KPIs 15% Corporate KPIs 15% relative TSR
N J Baade A Eglezos D J Owen (Other KMP executives)	Face Value of grant	$49,931	$199,724
	Number of Rights	28,200	112,800
	Fair value per AASB2[†]	$32,159	$119,906
	Performance Conditions	70% Business Unit KPIs 30% Corporate KPIs	70% Business Unit KPIs 15% Corporate KPIs 15% relative TSR
	Other Vesting Conditions	Remains employed until the vesting date and has not engaged in fraud or dishonesty	

[#] The grant date to calculate the fair value of the award under AASB2 is the AGM date when shareholders approved the grant of the rights.
[†] The grant date to calculate the fair value of the award under AASB2 is the date when the performance rights were granted.

5. Executive remuneration outcomes, including link to performance

Given the company's stage of development, financial metrics (such as profitability) are not necessarily an appropriate measure of executive performance. The company's remuneration policy aligns executive reward with the interests of shareholders. The primary focus is on growth in shareholder value through achievement of development, regulatory and commercial milestones, and therefore performance goals are not necessarily linked to typical financial performance measures utilised by companies operating in other market segments. However, the Board recognises that share price performance is clearly relevant to the extent that it reflects shareholder returns, and as such Starpharma's TSR relative to the S&P/ASX300 Index is used as a relevant metric for portions of executive equity awards. Details of share price, earnings and the impact of share price performance on the vesting of certain performance rights over the last 5 years is detailed in the table below. No dividends have been paid in the last 5 years.

	FY22	FY21	FY20	FY19	FY18
Closing share price 30 June	$0.74	$1.50	$1.13	$1.36	$1.17
Share price high	$1.55	$2.52	$1.43	$1.66	$1.67
Share price low	$0.62	$1.02	$0.62	$0.87	$0.71
Profit/(Loss) for the year ($M)	(16.2)	(19.7)	(14.7)	(14.3)	(10.3)
Number of performance rights forfeited by CEO based on share price performance for the period ending 30 June (or otherwise in the FY).	161,039	22,293	-	-	-
% of performance rights forfeited by CEO based on share price performance (as a percentage of total performance rights) period ending 30 June, or otherwise in the FY).	25%	3%	0%	0%	0%

Fixed remuneration:
The average increase in KMP executive fixed remuneration for FY22 was 2.7% (FY21: 0.0%). The increases in the total fixed remuneration package for individual KMP executive were between 2.5% and 2.9% for the year.

Performance related pay:
In the assessment of STI and LTI KPIs, the Board took account of the significant achievements obtained in the performance periods and the effort and dedication required to accomplish these milestones. These achievements include those listed on pages 33 to 35.

Short-term incentives (STI):

Summary of performance pay related to FY22 for the CEO

	STI cash ($)	STI equity (# of rights)
Maximum Available	$256,769	98,672
STI Awarded	$179,738	69,070
% Awarded	70.0%	70.0%

The Remuneration and Nomination Committee and the Board determined that the CEO had achieved a performance assessment of 70.0% of STI awards for the performance period 1 July 2021 to 30 June 2022, based on the annual review of actual performance against predetermined KPIs. These targets were set by the Remuneration and Nomination Committee and the Board at the beginning of the performance period and align to the company's strategic, operational and financial objectives. STI equity awards for the CEO in FY22 were based on the scorecard measures and weightings as disclosed below.

5. Executive remuneration outcomes, including link to performance (continued)

Summary of performance pay related to FY22 for Other KMP executives

For STI awards for other KMP executives, the CEO assesses the other KMP executives' performance against predetermined KPIs relevant to their business unit. These business unit KPIs relate directly to specific elements of the corporate KPIs, with 30% of STI equity awards based on the percentage achievement of corporate KPIs as disclosed above. The achievement of corporate KPIs requires significant input and strong performance from the executive team. The CEO makes recommendations to the Remuneration and Nomination Committee and the Board in respect of the STI performance assessment and amounts to be awarded.

The Remuneration and Nomination Committee and the Board determined that other KMP executives had achieved an average performance assessment of 78% of STI awards (between 77% and 78%) for the performance period 1 July 2021 to 30 June 2022. STI equity awards to Other KMP executives for FY22 were consistent with their performance assessment.

Long-term incentives (LTI):

Summary of performance pay for the CEO for the three years ended 30 June 2022

	LTI equity (# of Rights)	% Achieved
Maximum Available	**536,797**	
LTI Achieved		
KPIs for 3 years to 30 June 2022	203,983	54.3%
Relative TSR for 3 years to 30 June 2022	-	-%
Total LTI Achieved	203,983	
% Achieved	38.0%	

Performance assessment of relative TSR for the three years ended 30 June 2022

The company's Total Shareholder Return was benchmarked against the performance of the S&P/ASX300 Index for the three-year performance period ended 30 June 2022. The company's TSR over the period was (39.8%) compared with an Index TSR over the period of (0.8%). The company's annualised TSR for the period was (15.6%) compared to the S&P/ASX300 Index annualised TSR of (0.3%). As a result, 0% relative TSR component vested based on the prescribed sliding scale as set out on page 28. The TSR calculations were performed by an independent professional services firm.

The table below provides a summary of the achievement of annualised TSR performance:

Performance Period	3 years to 30 June 2022	3 years to 30 June 2021
Starpharma annualised TSR	(15.6%)	13.1%
Index annualised TSR	(0.3%)	5.9%
Starpharma over/(under) performance of Index (annualised over 3 years)	(15.3%)	7.2%
% of relative TSR awarded	-%	86.2%

Summary of performance pay for other KMP executives for the three years ended 30 June 2022

For LTI awards for Other KMP executives, the CEO assesses their performance against predetermined KPIs relevant to their business unit. These business unit KPIs relate directly to specific elements of the corporate KPIs, with 15% of LTI equity awards based on the percentage achievement of corporate KPIs, and the remaining 15% based on relative TSR (as disclosed above). The achievement of corporate KPIs requires significant input and superior performance from the executive team. The CEO makes recommendations to the Remuneration and Nomination Committee and the Board in respect of the LTI performance assessment and amounts to be awarded.

The Remuneration and Nomination Committee and the Board determined that other KMP executives had achieved a performance assessment of between 83% and 87% (average 85%) for business unit KPIs for the performance period 1 July 2019 to 30 June 2022 for determining LTI awards.

STI Performance Assessment		Performance period 1 July 2021 to 30 June 2022	
Performance category	**Metric**	**Weighting**	**Satisfied**
Development, registration and commercialisation of VIRALEZE™	Continue commercial roll-out of VIRALEZE™ and further development activities to support regulatory and marketing activities	25%	Partially Met
Regulatory and commercialisation activities for VivaGel® BV	Advance further VivaGel® BV registrations in multiple countries, with priority given to major markets and facilitate partners to roll-out and launch the product in multiple markets; pursue partnerships for remaining unlicensed countries; whilst optimising returns	10%	Partially Met
Other VivaGel® products	Progress with regulatory and commercialisation activities for the VivaGel® condom	2%	Partially Met
Clinical stage internal DEP® programs	Progress internal clinical DEP® programs into and through clinical development (or signing a licence, as appropriate) with a focus on expediting outcomes and building value which may be through additional indications and/or combinations	26%	Partially Met
Preclinical DEP® candidate(s)	Advancing additional internal DEP® product candidates through preclinical development (or signing a licence, as appropriate)	12%	Partially Met
Partnered DEP® programs	Support and further develop existing partnered DEP® programs and/or expanded field/products and/or progress with new partnering deals/licences	17%	Partially Met
Capital management, culture and leadership	Manage company's capital and cashflows to create value, increase recurrent revenues and maintain and develop a highly results oriented culture with exceptional leadership	8%	Met
		100%	

In making this STI assessment, the Remuneration and Nomination Committee and the Board considered the following factors (other commercially sensitive matters were also taken into account).

- Starpharma successfully registered and launched VIRALEZE™ in multiple countries, including relaunch in the UK, and undertook the following key activities:
  - VIRALEZE™ relaunched in the UK through LloydsPharmacy, one of the largest pharmacy groups in the UK. This relaunch followed extensive dialogue and data submission between Starpharma and the MHRA, resulting in the successful resolution of queries raised by the MHRA, clearing the way for the product's relaunch in the UK.
  - Signed sales and distribution arrangements for VIRALEZE™ with commercial partners in Italy (ADMENTA Italia Group), Vietnam (Health Co), and nine countries in the Middle East (E&N).
  - Supported commercial partners with marketing materials, supported timely launches and ongoing product supply.
  - VIRALEZE™ was successfully launched in pharmacies and retail outlets in Italy and Vietnam, with preparations underway for countries in the Middle East.
  - VIRALEZE™ is now registered in more than 30 countries, including in Europe, Asia and the Middle East. Further submissions have been made in other regions.
  - Collaborated extensively with The Scripps Research Institute in the US, completing further antiviral and virucidal testing of SPL7013 against multiple respiratory viruses, including multiple variants of SARS-CoV-2 (Delta and Omicron) and influenza, including comparative data to support marketing and publications.
  - Completed several challenge studies at Scripps Research, testing the efficacy of VIRALEZE™ against SARS-CoV-2 in a well-established animal challenge model of coronavirus infection.
  - *In vivo* antiviral data was published in the prestigious international journal, *Viruses*.
- Ongoing VivaGel® BV regulatory and commercial activities, including:
  - Achieved registrations for VivaGel® BV in Vietnam, Bahrain and Qatar during the year, with further approvals expected across the Middle East later this calendar year.
  - Starpharma continues to pursue registrations in various other territories including in Asia, the Middle East and Africa.
  - Supported commercial partners with marketing materials, technical input, and ongoing product supply.
  - An important publication for VivaGel® BV was achieved in the highly regarded peer-reviewed European journal, *Archives of Gynecology & Obstetrics.* The publication highlights the significant unmet need for new treatment and prevention options in bacterial vaginosis (BV), and the role that Starpharma's VivaGel® BV can play in addressing that need. This publication will support marketing activities and importantly, the inclusion of the product in clinical management guidelines for BV.
  - Provided extensive support to Mundipharma, to pursue additional launches of VivaGel® BV in countries where registration has been achieved.
  - Continued to pursue FDA approval for VivaGel® BV, working with a team of expert regulatory advisers, lawyers, and statisticians to progress a formal review, including detailed submissions. The formal FDA review is ongoing.
- Starpharma's partner, Okamoto, launched a new VivaGel® condom range in Japan, under the brand name *Pure Marguerite,* targeting younger demographics. The range is being distributed through major retail chains in Japan. Starpharma supported commercial partners with marketing materials, technical input, and material supply. Okamoto has also commenced regulatory processes for the VivaGel® condom in additional countries in Asia. Ongoing regulatory activities in China.

5. Executive remuneration outcomes, including link to performance (continued)

- Progress with internal clinical-stage DEP® assets, including:
  - The DEP® docetaxel clinical program (monotherapy and combination arms) has continued to progress and following encouraging efficacy responses, additional patients are being recruited into this trial.
  - The DEP® cabazitaxel Phase 2 trial has continued to make good progress. Starpharma reported interim findings from the prostate cancer cohort of this trial during FY22. Following encouraging efficacy signals in patients with late stage ovarian and gastro-oesophageal cancers, additional patients are being enrolled.
  - The DEP® irinotecan Phase 2 trial has continued to recruit patients and progress well, with encouraging efficacy signals observed across a range of tumour types. In parallel, Starpharma is finalising preparations for commencement of a combination arm for DEP® irinotecan in combination with 5-FU + Leucovorin ('FOLFIRI', a commonly used combination treatment regimen in colorectal cancer).
  - Starpharma is in the final stage of preparation to commence a Phase 1/2 clinical trial of DEP® gemcitabine.
- Develop the preclinical DEP® pipeline:
  - Continued to progress multiple DEP® radiotheranostic candidates, targeted and untargeted, including DEP® lutetium, DEP® HER2-lutetium and DEP® zirconium.
  - Continued to progress Starpharma's internal DEP® Antibody Drug Conjugate (ADC) candidates and other internal preclinical candidates.
- Progressed existing and cultivated new partnered DEP® programs, including:
  - Signed a second DEP® Research Agreement with MSD (Merck & Co., Inc.) to develop and synthesize a number of DEP® dendrimer conjugates. This new agreement follows the initial DEP® ADC agreement signed with Merck & Co., Inc., in February 2021.
  - Signed a DEP® Research Agreement with Genentech during FY22, to evaluate DEP® dendrimer conjugates. This agreement was then expanded to include an additional program within six months of the initial agreement.
  - Supported AstraZeneca's clinical development of its novel DEP® product, AZD0466. During FY22, AstraZeneca commenced a new clinical trial of AZD0466 in a new cancer type – non-Hodgkin's lymphoma (NHL). The new NHL trial is now recruiting at sites in the US and Korea, with recruitment planned at sites across the US, Canada, Europe, Australia, and Asia. This expanded NHL clinical trial is running in parallel with the ongoing global Phase 1/2 trial in patients with acute myeloid leukemia (AML) and acute lymphoblastic leukemia (ALL), which continues to recruit patients and open new sites.
  - Progressed other DEP® programs with AstraZeneca.
  - Progressed other partnered DEP® programs, including with Chase Sun.
  - Undertook commercial discussions with major pharmaceutical companies for several new partnered DEP® drug delivery programs in oncology and non-oncology areas, including in DEP® ADCs and DEP® radiopharmaceuticals.

In the assessment of STI KPIs, the Board took account of the significant achievements attained over the performance period and the effort and dedication required to accomplish these milestones, particularly while the ongoing COVID-19 pandemic poses direct and indirect challenges to trial recruitment, workforce organisation and supply chain continuity. These achievements include the regulatory and commercialisation activities for VIRALEZE™, VivaGel® BV and the VivaGel® condom, including supporting the company's marketing partners for each of these products. In addition, the company achieved a number of important milestones for its DEP® drug delivery programs, both internally and with external partners. These included the positive interim findings from the prostate cancer cohort of the Phase 2 trial of DEP® cabazitaxel and the commencement of two new DEP® Research Agreements with leading, global companies, Genentech and Merck & Co., Inc.

LTI Performance Assessment		**Performance period 1 July 2019 to 30 June 2022**	
Performance category	**Metric**	**Weighting**	**Satisfied**
Financial KPIs for VivaGel® BV and DEP®	Monetisation of the VivaGel® and Drug Delivery portfolios represented by the generation of revenue, or value from asset sale(s), through the completion of a number of commercial deals that build shareholder value.	40%	Partially Met[#]
Business KPIs for VivaGel® and DEP®	Optimisation of returns from VivaGel® revenue, represented by programs to maximise product returns to Starpharma; Development of new DEP® candidates; and/or Licensing (and/or asset sales) of DEP® candidates.	30%	Partially Met
Relative TSR	Starpharma's TSR compared to the performance of the S&P/ASX300 Index over a 3-year period	30%	Not Met
		100%	

[#] *The Board has used its discretion in relation to activities in this KPI including deals and revenue generated from VIRALEZE™, not contemplated at the time of setting the KPIs.*

In making this LTI assessment, the Remuneration and Nomination Committee and the Board considered the following factors (other commercially sensitive matters not disclosed were also taken into account):

- A new product, VIRALEZE™ nasal spray was fully developed and launched in Europe, Vietnam, Italy, and the UK during the period, with product revenue increasing from customer receipts.
- Signed sales and distribution arrangements for VIRALEZE™ nasal spray with commercial partners in the UK (LloydsPharmacy), Italy (ADMENTA), Vietnam (Health Co), and the Middle East (E&N).
- New registrations of VivaGel® BV achieved in countries in Asia, the Middle East, South Africa and New Zealand. In Europe and Australia, achieved approval for a second BV indication, for the prevention of recurrent BV.
- VivaGel® BV launched in the UK, Asia, and central and eastern European countries during the period, with revenue receipts from Aspen and Mundipharma.
- Okamoto licensed VivaGel® condom for additional countries in Asia and commenced and progressed regulatory activities. A new VivaGel® condom range was launched by Okamoto in Japan, targeting younger demographics.
- Signed a DEP® Research Agreement with MSD whereby Starpharma will design and synthesize a number of dendrimer-based Antibody Drug Conjugates (ADCs) and will provide them to MSD for testing and characterization.
- Signed a second DEP® Research Agreement with MSD whereby Starpharma will design and synthesize a number of additional DEP® dendrimer conjugates and will provide them to MSD for testing and characterization.
- Signed and commenced a new DEP® Research Agreement with Genentech to evaluate DEP® drug conjugates.
- Genentech DEP® agreement was expanded within six months to add an additional DEP® program.
- Supported AstraZeneca's development of AZD0466. AstraZeneca significantly expanded the clinical program for its DEP® product, AZD0466, which is now being progressed through two global, Phase 1/2 trials in patients with certain blood cancers.
- Signed and commenced a new DEP® partnership with Chinese company Chase Sun to develop several DEP® nanoparticle formulations of an anti-infective drug with the view of enhancing its performance and expanding its therapeutic utility.
- Significantly progressed three internal DEP® clinical programs (DEP® docetaxel, DEP® cabazitaxel and DEP® irinotecan) with enrolment now well advanced. Encouraging efficacy signals have been observed in each trial and multiple new sites opened. Undertook ongoing commercial discussions with potential licensees.
- Expanded market potential for all internal clinical-stage DEP® candidates by adding new indications and progressing value-adding combination studies.
- Reported interim findings from the prostate cancer cohort of the Phase 2 clinical trial of DEP® cabazitaxel and undertook partnering discussions.
- Completed manufacture of clinical product for DEP® gemcitabine and finalised other preclinical work in preparation for commencement of a Phase 1/2 clinical study.
- Advanced preclinical preparations for DEP® irinotecan + 5-FU + Leucovorin ('FOLFIRI') combination arm.
- Commenced DEP® docetaxel + gemcitabine clinical combination study.
- DEP® cabazitaxel and DEP® irinotecan advanced to Phase 2 based on positive Phase 1 results.
- Provided extensive support to AstraZeneca to facilitate AZD0466's progress into the clinic, including IND preparation, scale-up and final preclinical work, triggering the receipt of a milestone payment of US$3M following the successful dosing of the first patient in Phase 1.
- Granted a licence from the TGA allowing in-house manufacture of DEP® products for clinical trials.
- Partnering discussions underway for internal DEP® candidates with licences to be sought at the most appropriate time to maximise commercial value.
- Initiated DEP® radiotheranostic and DEP® ADC commercial discussions following positive preclinical results.
- Developed and progressed DEP® radiotheranostic candidates, targeted and untargeted, including DEP® lutetium, DEP® HER2-lutetium and DEP® zirconium.
- Developed and progressed DEP® Antibody Drug Conjugates (ADCs) candidates.

- ***Relative TSR:***

- The company's TSR was tested against the performance of the S&P/ASX300 Index for the three-year performance period ended 30 June 2022. The company's annualised TSR for this period was (15.6%) compared to the S&P/ASX300 Index annualised TSR of (0.3%), resulting in (15.3%) underperformance to the index.
  The relative TSR is calculated independently by a professional services firm and more information regarding the relative TSR hurdle is provided on page 28.

6. Details of remuneration

The following tables show details of the remuneration received by the directors and the key management personnel of the group for the current and previous financial year. As required by the Accounting Standards, the value of performance rights included in the remuneration tables relates to the fair value of the performance rights (which may include performance rights granted in prior years), rather than their face value.

2022	Short-term benefits			Post-employment	Long-term benefits	Share-based payments	
Name	Cash salary & fees† $	Cash bonus#* $	Non-monetary benefits $	Superannuation $	Long service leave $	Performance Rights# $	**Total $**
Non-executive directors							
R B Thomas	121,818	–	–	12,182	–	–	134,000
Z Peach	78,182	–	–	7,818	–	–	86,000
P R Turvey^	6,307	–	–	631	–	–	6,938
D J McIntyre	81,000	–	–	–	–	–	81,000
L Cheng	66,374	–	–	6,637	–	–	73,011
J R Davies	17,045	–	–	1,705	–	–	18,750
Executive director							
J K Fairley	515,804	179,738	40,928	23,568	14,576	497,470	1,272,084
Other KMP executives							
N J Baade	227,510	75,000	32,976	27,468	6,952	192,073	561,979
A Eglezos	257,763	73,000	8,288	23,568	5,220	191,633	559,472
D J Owen~	215,430	–	19,459	19,640	(12,962)	(198,339)	43,228
J R Paull	230,858	75,000	40,692	27,468	8,214	214,733	596,965
Totals	1,818,091	402,738	142,343	150,685	22,000	897,570	3,433,427

† Increases in overall total fixed remuneration packages for KMP executives were 2.90% and below (average 2.70%) in FY22. Executives may elect to salary sacrifice part of their total fixed remuneration package. Cash salary & fees represents gross salary earned less any salary sacrifice amounts. The two forms of salary sacrifice in FY22 were leasing a motor vehicle under a novation arrangement, and the use of a car park. These amounts are reported in non-monetary benefits, and these amounts for cash salary & fees may vary from one year to the next, depending on the elections chosen.

All performance related remuneration, including cash bonuses and performance rights granted are determined to be an 'at risk' component of total remuneration.

* The cash bonus reported relates to amounts assessed to be paid for the performance period 1 July 2021 to 30 June 2022. The actual cash payment of the bonuses will occur in FY23.

^ P R Turvey resigned from the Board on 29 July 2021.

~ D J Owen resigned 6 May 2022.

2021		Short-term benefits		Post-employment	Long-term benefits	Share-based payments	
Name	Cash salary & fees† $	Cash bonus#* $	Non-monetary benefits $	Superannuation $	Long service leave $	Performance Rights~# $	Total $
Non-executive directors							
R B Thomas	117,808	–	–	11,192	–	–	129,000
R A Hazleton^	29,944	–	–	–	–	–	29,944
Z Peach	72,032	–	–	6,843	–	–	78,875
P R Turvey	78,767	–	–	7,483	–	–	86,250
D J McIntyre	72,833	–	–	–	–	–	72,833
Executive director							
J K Fairley	539,985	194,825	2,901	21,695	9,892	782,453	1,551,751
Other KMP executives							
N J Baade	222,785	78,000	37,684	21,695	2,232	282,991	645,387
A Eglezos	252,789	80,000	8,166	21,695	14,769	277,403	654,822
D J Owen	239,766	70,000	22,119	21,695	–	272,367	625,947
J R Paull	227,945	80,000	42,159	21,695	5,101	313,348	690,248
Totals	1,854,654	502,825	113,029	133,993	31,994	1,928,562	4,565,057

† There were no increases in overall total fixed remuneration packages for KMP executives in the FY21 year. Executives may elect to salary sacrifice part of their total fixed remuneration package. Cash salary & fees represents gross salary earned less any salary sacrifice amounts. The two forms of salary sacrifice in FY21 were leasing a motor vehicle under a novation arrangement, and the use of a car park. These amounts are reported in non-monetary benefits, and these amounts for cash salary & fees may vary from one year to the next, depending on the elections chosen.

~ Includes the expensing of STI equity awarded in lieu of cash for the FY20 performance period with a vesting date of 30 June 2021.

All performance related remuneration, including cash bonuses and performance rights granted are determined to be an 'at risk' component of total remuneration.

* The cash bonus reported relates to amounts assessed to be paid for the performance period 1 July 2020 to 30 June 2021. The actual cash payment of the bonuses occurred in FY22.

^ R A Hazleton retired from the Board on 20 November 2020.

Details of executive remuneration mix

The relative proportions of remuneration for FY22 that are linked to performance and those that are fixed are as follows:

		Fixed remuneration	At risk - STI cash	At risk - STI Equity[1]	At risk - STI Total	At risk - LTI Equity[1]
CEO	Target	35%			25%	40%
J K Fairley	Actual	47%	14%	9%	23%	30%
Other KMP executives	Target	50%			20%	30%
N J Baade	Actual	53%	13%	7%	20%	27%
A Eglezos	Actual	53%	13%	7%	20%	27%
D J Owen[1]	Actual	100%	-	NM	NM	NM
J R Paull	Actual	52%	13%	7%	20%	28%

[1] D J Owen resigned 6 May 2022. Not Meaningful (NM) are negative amounts for share-based payments expense reversed during the year due to a failure to satisfy the vesting conditions of performance rights. There was no STI cash awarded to D J Owen for FY22.

6. Details of remuneration (continued)

Non-statutory executive remuneration

The non-statutory executive remuneration is the remuneration earned by KMP executives in FY22 and is set out below with calculations of equity value both at the vesting date and based on the face value at the beginning of the relevant performance period. Starpharma discloses non-statutory remuneration voluntarily because it includes the face value of equity that vested in FY22. For LTI equity, the reported value reflects the KMP executive performance over three years including the impact of movement in the share price over the three year period.

The table differs from the remuneration details prepared above in this section 6 of this report which are prepared in accordance with statutory obligations and accounting standards, and presents the expensing of the fair value of performance rights over their vesting period, and may include the expensing of rights that may not ultimately vest into ordinary shares.

2022

Name	Fixed remuneration (1)	STI cash paid in FY22 (2)	STI equity vested in FY22 based on face value (3)	STI equity vested in FY22 based on share price at vesting date (4)	LTI equity vested in FY22 based on face value (3)	LTI equity vested in FY22 based on share price at vesting date (4)	Total non-statutory remuneration earned based on face value of equity (3)	Total non-statutory remuneration earned based on share price at vesting date (4)	Total remuneration per Accounting Standards (5)
	($)	($)	($)	($)	($)	($)	($)	($)	($)
J K Fairley	580,300	194,825	132,561	80,762	1,022,244	472,842	1,929,930	1,328,729	1,272,084
N J Baade	287,954	78,000	40,526	24,690	218,879	170,587	625,359	561,231	561,979
A Eglezos	289,619	80,000	42,238	25,733	219,449	169,858	631,306	565,210	559,472
D J Owen~	254,529	70,000	-	-	221,731	165,968	546,260	490,497	43,228
J R Paull	299,018	80,000	46,182	28,136	274,976	191,549	700,176	598,703	596,965

[1] Base salary, superannuation and non-monetary benefits such as novated motor vehicle lease and car park benefits.

[2] STI cash paid during the financial year. The amount disclosed for FY22 reflects cash bonuses awarded for FY21 the performance period.

[3] Value of equity rights that vested during the year, based on the face value of the performance rights based on the 3-month VWAP prior to the start of the relevant performance period (1 July). Vested rights will remain as rights in subsequent periods until exercised. The STI equity was granted in FY21 and the LTI equity was granted in FY19.

[4] Value of equity rights that vested during the year, based on the opening price on the date of vesting. Vested rights will remain as rights in subsequent periods until exercised. The STI equity was granted in FY21 and the LTI equity was granted in FY19.

[5] In accordance with statutory obligations and accounting standards in section 6 of this report, which includes expensing of rights over their entire vesting period, and rights that may not ultimately vest into ordinary shares.

~ D J Owen resigned 6 May 2022

Equity awards and share price

The total non-statutory remuneration based on the vesting date share price is lower than the total remuneration per Accounting Standards (except for D J Owen) and the non-statutory remuneration based on face value. The lower amount is primarily driven by the value attached to the equity awards that vested in FY22.

Details of remuneration: cash bonuses, shares, and performance rights

For each cash bonus and grant of equity included in the tables on pages 36 to 41, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance objectives is set out below. Performance rights vest over the specified periods provided vesting criteria are met. No rights will vest if the conditions are not satisfied, hence the minimum value of the rights yet to vest is nil. The maximum value of the rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. The CEO was awarded 70% of her maximum cash bonus entitlement of $256,769 in FY22, with the balance of 30% forfeited as described above in the report. STI cash bonuses for other KMP executives are paid at the absolute discretion of the Board based on an individual's performance within the year, hence there is no component forfeited to report.

Performance rights

Name	Grant date fair value of rights granted during 2022[1,2]	Financial year granted	Vested	Forfeited	Financial years in which rights may vest	Maximum fair value yet to vest
	$		%	%		$
J K Fairley	480,505	2022	-	30%	30/06/2023	37,729
		2022	-	-	30/06/2025	258,115
		2021	78%	22%	30/06/2022	-
		2021	-	-	30/06/2024	297,766
		2020	-	62%	30/06/2023	30,964
		2019	65%	35%	30/06/2022	-
N J Baade	152,065	2022	-	22%	30/06/2023	12,607
		2022	-	-	30/06/2025	83,034
		2021	83%	17%	30/06/2022	-
		2021	-	-	30/06/2024	100,659
		2020	-	33%	30/06/2023	10,527
		2019	82%	18%	30/06/2022	-
A Eglezos	152,065	2022	-	23%	30/06/2023	12,381
		2022	-	-	30/06/2025	83,034
		2021	86%	14%	30/06/2022	-
		2021	-	-	30/06/2024	100,659
		2020	-	34%	30/06/2023	10,414
		2019	81%	19%	30/06/2022	-
D J Owen (Resigned 6 May 2022)	152,065	2022	-	100%	30/06/2023	-
		2022	-	100%	30/06/2025	-
		2021	-	100%	30/06/2022	-
		2021	-	100%	30/06/2024	-
		2020	-	100%	30/06/2023	-
		2019	80%	20%	30/06/2022	-
J R Paull	166,085	2022	-	22%	30/06/2023	13,769
		2022	-	-	30/06/2025	90,690
		2021	86%	14%	30/06/2022	-
		2021	-	-	30/06/2024	110,061
		2020	-	31%	30/06/2023	11,772
		2019	84%	16%	30/06/2022	-

[1] The value at grant date calculated in accordance with AASB 2 *Share-based Payments* of performance rights granted during the year as part of remuneration.

[2] The maximum value of performance rights is determined at grant date and is amortised over the applicable vesting period. The amount which will be included in a given KMP executive's remuneration for a given year is consistent with this amortised amount. No performance rights will vest if the conditions are not satisfied, hence the minimum value yet to vest is nil.

Details of related party transactions

Services from entities controlled by KMP

Subsidiary, Starpharma Pty Ltd, paid $22,213 for consulting services in FY22 to Centre for Biopharmaceutical Excellence Pty Ltd, which Starpharma non-executive director Dr Jeff Davies (appointed 1 April 2022), is also a director and shareholder. The consulting services were provided by principals other than Dr Jeff Davies and were on normal commercial terms.

There are no other related party transactions with KMP that are not otherwise disclosed within this Remuneration Report.

7. Executive employment agreements

Remuneration and other terms of employment for executives are formalised in employment agreements which set out duties, rights and responsibilities, and entitlements on termination. All executives also have a formal position description for their role.

Major provisions of the agreements relating to remuneration are set out below for those KMP executives who are employed at the date of this report.

CEO and Managing Director (J K Fairley)

- No fixed term of agreement.
- Base salary, inclusive of superannuation, per annum as at 30 June 2022 of $577,407, to be reviewed annually by the Remuneration and Nomination Committee.
- A cash bonus up to $256,769 for the year to 30 June 2022 allocated proportionately on the achievement of predetermined KPIs.
- The CEO is entitled to participate in a STI and LTI equity plan, subject to receiving any required or appropriate shareholder approval.
- Fringe benefits consist of on-site car parking.

The CEO's termination provisions are as follows:

	Notice Period	Payment in lieu of notice	Treatment of equity STI	Treatment of LTI
Resignation	12 months	N/A	Unvested awards forfeited	Unvested awards forfeited
Termination for cause	None	None	Unvested awards (including an exercisable, vested right) forfeited	Unvested awards (including an exercisable, vested right) forfeited
Termination without cause, including redundancy	12 months	6 months payment in lieu of notice with 6 month notice period	Unvested awards lapse unless the Board determines otherwise after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met. Vesting of the rights may be accelerated in this case.	Unvested awards lapse unless the Board determines otherwise after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met. Vesting of the rights may be accelerated in this case.
Termination in cases of death, disablement or other cause approved by the Board	N/A	N/A	Unvested awards lapse, unless the Board determines otherwise after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met. Vesting of the rights may be accelerated in this case.	Unvested awards lapse, unless the Board determines otherwise after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met. Vesting of the rights may be accelerated in this case.

Other KMP executives

Standard executive termination provisions are as follows:

	Notice Period	Payment in lieu of notice	Treatment of equity STI	Treatment of LTI
Resignation	3 months	N/A	Same as for CEO	Same as for CEO
Termination for cause	None	None	Same as for CEO	Same as for CEO
Termination without cause, including redundancy	Typically 3 months (range 3-6 months)	3 months (3-6 months)	Same as for CEO	Same as for CEO
Termination in cases of death, disablement, or other cause approved by the Board	N/A	N/A	Same as for CEO	Same as for CEO

There are no loans, or other transactions, to the CEO or Other KMP executives.

8. Additional disclosures relating to employee equity schemes

Ordinary shares
The number of ordinary shares in the company provided as remuneration during the financial year to any of the directors or the key management personnel of the group, including their close family members and entities related to them, are set out below. The table may also reflect changes to shareholdings which are unrelated to remuneration.

2022 Name	Balance at the start of the year	Granted during the year as compensation	On exercise of performance rights during the year	Other changes during the year*	Balance at the end of the year
Directors					
R B Thomas	875,000	–	–	25,000	900,000
J K Fairley	3,925,434	–	–	50,000	3,975,434
Z Peach	48,975	–	–	8,474	57,449
P R Turvey[1]	193,155	–	–	–	N/A
D J McIntyre	16,240	–	–	–	16,240
L Cheng[2]	–	–	–	60,000	60,000
J R Davies[3]	50,000	–	–	–	50,000
Other KMP executives					
N J Baade	354,300	–	–	–	354,300
A Eglezos	297,542	–	–	(30,000)	267,542
D J Owen[4]	252,086	–	998,993	–	N/A
J R Paull	41,106	–	–	–	41,106

* Other changes relate to market transactions.
[1] Resigned as a non-executive director on 29 July 2021.
[2] Appointed as a non-executive director on 1 August 2021.
[3] Appointed as a non-executive director on 1 April 2022, opening shareholding prior to appointment.
[4] Resigned on 6 May 2022.

Performance rights
The number of rights over ordinary shares in the company provided as remuneration during the financial year to any of the executive directors and the KMP executives, including their close family members and entities related to them, are set out below. No non-executive director held performance rights in FY22 or the prior year.

2022 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year#	**Balance at the end of the year**	Vested and exercisable at the end of the year	Total Unvested
Directors							
J K Fairley	5,234,242	493,360	-	(224,712)	**5,502,890**	3,835,560	1,667,330
Other KMP executives							
N J Baade	1,420,939	141,000	-	(35,874)	**1,526,065**	1,047,385	478,680
A Eglezos	1,414,343	141,000	-	(34,810)	**1,520,533**	1,041,853	478,680
D J Owen[1]	1,413,954	141,000	998,993	(555,961)	**-**	-	-
J R Paull	1,609,855	154,000	-	(33,726)	**1,730,129**	1,206,929	523,200

Other changes during the year relate to the forfeiture of rights.
[1] Resigned on 6 May 2022.

The market value at vesting date of performance rights that vested during 2022 was $1,330,125 (2021: $3,503,718). The decrease in market value reflects a lower share price at date of vesting as well as the vesting in the prior year of STI equity awarded in lieu of cash bonuses for FY20. No other shares were issued on the vesting of performance rights provided as remuneration to any of the directors or any KMP of the group in the current year.

The market value is calculated using the opening share price on the respective vesting/exercise date or forfeit date.

Dilutionary impact of performance rights on issue
As at 30 June 2022 there were 15,784,044 performance rights on issue, representing 3.9% of the 408,443,407 shares on issue (SOI) at 30 June 2022. There were 10,279,617 rights which were held by KMP, representing 2.5% of SOI, of which 5,502,890 (1.3% of SOI) were approved by shareholders.

8. Additional disclosures relating to employee equity schemes (continued)

The terms and conditions of the grant of performance rights to the directors or the key management personnel of the group in the current year or which impact future years are as follows:

Grant date	Vesting date	Number of rights granted	Performance measure	Fair value per right at grant date	% vested
16 August 2018	30 September 2021	537,200	Achievement of KPIs	$1.26	81
16 August 2018	30 September 2021	94,800	TSR	$0.85	86
29 November 2018	30 September 2021	377,945	Achievement of KPIs	$1.48	56
29 November 2018	30 September 2021	161,976	TSR	$1.13	86
17 October 2019	30 September 2022	537,200	Achievement of KPIs	$1.15	Nil
17 October 2019	30 September 2022	94,800	TSR	$0.71	Nil
21 November 2019	30 September 2022	375,758	Achievement of KPIs	$1.29	Nil
21 November 2019	30 September 2022	161,039	TSR	$0.85	Nil
30 October 2020	30 June 2022	187,560	Achievement of KPIs	$1.47	64
30 October 2020	30 September 2023	637,704	Achievement of KPIs	$1.47	Nil
30 October 2020	30 September 2023	112,536	TSR	$1.20	Nil
20 November 2020	30 June 2022	159,293	Achievement of KPIs	$1.32	78
20 November 2020	30 September 2023	446,021	Achievement of KPIs	$1.32	Nil
20 November 2020	30 September 2023	191,152	TSR	$0.96	Nil
25 October 2021	30 June 2023	115,400	Achievement of KPIs	$1.14	Nil
25 October 2021	30 September 2024	392,360	Achievement of KPIs	$1.14	Nil
25 October 2021	30 September 2024	69,240	TSR	$0.62	Nil
30 November 2021	30 June 2023	98,672	Achievement of KPIs	$1.09	Nil
30 November 2021	30 September 2024	276,282	Achievement of KPIs	$1.09	Nil
30 November 2021	30 September 2024	118,406	TSR	$0.60	Nil

Information of the performance measures:

Achievement of KPIs:	The achievement of certain key business performance indicators linked to matters which the Board believes are key drivers of shareholder value.
Relative TSR (TSR):	As set out on page 28 of the remuneration report.

- end of remuneration report -

Shares under rights

Unissued ordinary shares of Starpharma Holdings Limited under the Employee Performance Rights Plan at the date of this report are as follows:

Grant date	Vesting date	Number of rights granted	Balance of rights at date of report
11 Nov 2015	30 Sep 2018	2,076,800	782,404
11 Nov 2015	30 Jun 2017	519,200	185,750
19 Nov 2015	30 Sep 2018	893,851	836,260
19 Nov 2015	30 Jun 2017	219,395	181,001
13 Oct 2016	30 Jun 2018	594,450	211,876
13 Oct 2016	30 Sep 2019	2,377,800	947,975
29 Nov 2016	30 Jun 2018	223,022	172,842
29 Nov 2016	30 Sep 2019	876,978	846,281
10 Aug 2017	30 Jun 2019	694,120	302,268
10 Aug 2017	30 Sep 2020	2,776,480	1,264,737
29 Nov 2017	30 Jun 2019	224,121	197,226
29 Nov 2017	30 Sep 2020	895,879	736,665
16 Aug 2018	30 Jun 2020	203,500	116,378
16 Aug 2018	30 Sep 2021	814,000	441,012
2 Nov 2018	30 Jun 2020	259,147	87,200
2 Nov 2018	30 Sep 2021	1,036,587	395,016
29 Nov 2018	30 Jun 2020	134,980	112,708
29 Nov 2018	30 Sep 2021	539,921	350,253
17 Oct 2019	30 Jun 2021	459,767	212,629
17 Oct 2019	30 Sep 2022	1,839,067	1,339,175
21 Nov 2019	30 Jun 2021	134,199	101,320
21 Nov 2019	30 Sep 2022	536,797	536,797
30 Oct 2020	30 Jun 2021	567,083	365,085
30 Oct 2020	30 Jun 2022	548,270	389,122
30 Oct 2020	30 Sep 2023	2,193,080	1,712,160
20 Nov 2020	30 Jun 2021	176,755	176,755
20 Nov 2020	30 Jun 2022	159,293	124,249
20 Nov 2020	30 Sep 2023	637,173	637,173
25 Oct 2021	30 Jun 2023	373,333	305,673
25 Oct 2021	30 Sep 2024	1,493,334	1,222,694
30 Nov 2021	30 Jun 2023	98,672	98,672
30 Nov 2021	30 Sep 2023	394,688	394,688

Performance rights and the resultant shares are granted for nil consideration.

Insurance of officers

During the financial year, Starpharma Holdings Limited paid a premium to insure the directors and executive officers of the company and related bodies corporate, against certain liabilities and expenses.

In accordance with normal commercial practice, the disclosure of the amount of premium payable, and the nature of the liabilities and expenses covered by the policy, is prohibited by a confidentiality clause in the relevant insurance contract.

Shares issued on the exercise of vested rights

The following ordinary shares of Starpharma Holdings Limited were issued during the year to the date of this report on the exercise of vested performance rights granted under the Employee Performance Rights Plan. The shares are issued for nil consideration.

Date rights granted	Issue price of shares (Exercise price of right)	Number of shares issued
11 Nov 2015	$ -	329,265
13 Oct 2016	$ -	438,835
10 Aug 2017	$ -	575,122
16 Aug 2018	$ -	264,601
2 Nov 2018	$ -	346,251
17 Oct 2019	$ -	166,405
30 Oct 2020	$ -	196,374

Audit & non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important. Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit services provided during the year is set out below. There were no non-audit services provided by the auditor during the financial year.

During the year, the following fees were paid or payable for services provided by the auditor (PricewaterhouseCoopers) of the company, its related practices and non-related audit firms.

Assurance Services	2022 $	2021 $
Audit or review of financial reports of the entity or any entity in the group under the *Corporations Act 2001*	155,250	146,462

Other assurance services of $6,630 (2021: nil) were provided by the auditor in the current year relating to the audit of an income and expenditure report for grant funding. No other taxation or advisory services have been provided by the auditor in either the current or prior year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 44.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

Robert B Thomas *AO*
Chairman
Melbourne, 25 August 2022

Auditor's Independence Declaration

As lead auditor for the audit of Starpharma Holdings Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Starpharma Holdings Limited and the entities it controlled during the period.

Brad Peake
Partner
PricewaterhouseCoopers

Melbourne
25 August 2022

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Corporate Governance Statement

Starpharma Holdings Limited ("the company") and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board guides and monitors the company's activities on behalf of the shareholders. In developing policies and setting standards, the Board considers the Australian Securities Exchange ("ASX") Corporate Governance Principles and Recommendations (4th Edition) ("the 4th Edition CGC Recommendations").

This Corporate Governance Statement sets out and describes the company's current corporate governance principles and practices which the Board considers to comply with the 4th Edition CGC Recommendations. This Corporate Governance Statement is available on the company's website. The company and its controlled entity together are referred to as "the group" in this statement. This report is current as at 25 August 2022 and was approved by the Board on that date.

Principle 1: Lay solid foundations for management and oversight

Relationship between the Board and management
The relationship between the Board and senior management is critical to the group's long-term success. The directors are responsible to the shareholders for the performance of the group in both the short and long term, and they seek to balance sometimes competing objectives in the best interests of the group. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the group is properly managed.

1.1 Responsibilities of the Board
The responsibilities of the Board include oversight, accountability and approval in relation to certain:
- Strategic issues;
- Shareholding items;
- Financial items;
- Expenditure items;
- Audit related items; and
- Board and senior management, delegation and succession.

Other Board responsibilities include:
- Enhancing and protecting the reputation and culture of the group;
- Overseeing the operation of the group, including its systems for control, accountability, and risk management;
- Monitoring financial performance;
- Liaising with the company's auditors;
- Ensuring there are effective management processes in place and approving major corporate initiatives;
- Setting company values and code of conduct;
- Satisfying itself regarding the risk management framework and setting risk appetite;
- Overseeing the process for timely and balanced disclosure of material information; and
- Reporting to shareholders.

Further details regarding the responsibilities of the Board are detailed in the Board charter. The Board's conduct is governed by the company's constitution. Both documents are available at www.starpharma.com/corporate_governance

1.2 Director / senior management appointment and director election
Before appointing a director or senior management, and before putting forward a director candidate to shareholders for election, the Remuneration and Nomination Committee will undertake appropriate background checks. The Remuneration and Nomination Committee will also provide all material information which is relevant to whether or not a person should be elected or re-elected as a director to the Board for provision to shareholders (including in relation to independence and a recommendation regarding support or otherwise to the candidate's appointment or election).

The other commitments of non-executive directors are routinely reviewed by the Board in addition to being considered by the Remuneration and Nomination Committee prior to their appointment to the Board, and are reviewed at least annually. Prior to appointment or being submitted for re-election, each non-executive director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the company.

The company's constitution specifies that all non-executive directors must retire from office no later than three years or the third annual general meeting ("AGM") following their last election (whichever is longer), and that an election of directors must take place each year. Any director, excluding the Managing Director (CEO of the group), who has been appointed during the year, must stand for election at the next AGM.

In relation to director tenure, the Board charter provides that it is anticipated that non-executive directors would generally hold office for up to ten years, and shall serve a maximum of fifteen years from date of first election by shareholders.

The Board, on its initiative and on an exceptional basis, may exercise discretion to extend this maximum term where it considers that such an extension would benefit the company.

Starpharma's policy on non-executive director tenure is consistent with ASX guidance which acknowledges that shareholders are likely to be served well by a mix of directors, including some with a longer tenure who have accumulated experience and developed a 'corporate memory' over a substantial period.

The Board considered the tenure of Ms Z Peach as part of its independence assessment of each and all directors. Despite her tenure of >10 years, Ms Z Peach has been as 'independent'. The combination of Ms Z Peach's skills and experience, and corporate memory provided by her long tenure is advantageous and aligns with the typical longer industry product development cycle.

Director	Date first elected by shareholders
R B Thomas	November 2014
Z Peach	November 2011
J K Fairley	N/A, appointed by the Board in 2006
D J McIntyre	November 2020
L Cheng	November 2021
J R Davies	Appointed by the Board on 1 April 2022 and standing for election at November 2022 AGM

1.3 Written agreements with Directors and Senior Executives
New directors receive a letter of appointment, which outlines the company's expectations of the director in relation to their participation, time commitments and compliance with policies and regulatory requirements.

Senior executives and all employees are required to sign employment agreements which set out the key terms of their employment. All roles have formal position descriptions.

1.4 Responsibilities of the Company Secretary
The Company Secretary supports the effective functioning of the Board and its committees. The Company Secretary is accountable directly to the Board, through the Chair, on all matters related to the proper functioning of the Board. The specific responsibilities of the Company Secretary are detailed in the Board charter, which is available at www.starpharma.com/corporate_governance

1.5 Diversity objectives and achievement
The company is committed to workplace diversity, and the Board values the level of diversity already present within the organisation, believing that continuing to promote diversity is in the best interests of the company, its employees and its shareholders. The Board last revised its Diversity Policy in March 2022, which operates alongside the Code of Conduct (and the Discrimination, Harassment, Bullying and Workplace Grievances Policy), and it provides a framework for Starpharma to achieve several diversity objectives. The Diversity Policy is available at www.starpharma.com/corporate_governance

Independent of external corporate governance initiatives, the company has embraced a culture of inclusion and equal opportunity across diversity areas recognised as potentially impacting upon equality in the workplace, with a focus on gender but without limiting other aspects of diversity.

The company recognises the corporate benefits of diversity of its workforce and the Board, and realises the importance of being able to attract, retain and motivate employees from the widest possible pool of available talent. In accordance with the Diversity Policy, the Board has established measurable objectives for achieving gender diversity and has conducted an assessment of the objectives and progress in achieving them.
Objectives set by the Board for the 2022 financial year, and progress against these objectives is set out below:

Objective	Measurement	FY22 Performance
Female participation/talent pipeline	Achieve greater than 40% female participation for direct reports to the CEO or senior executives ("CEO minus 2").	54% of *CEO minus 2* positions are held by females.
	Actively support and encourage training, networking and development opportunities for high potential employees.	Professional development opportunities and options that are aligned with the group's needs and the individual's role are considered for all employees as part of the group's annual performance review process and as needed during the year. Investments in formal/external development programs are made where appropriate and in FY22, 36 professional development programs including conferences were attended by female employees across all levels of the organisation. This included securing partial scholarships for 4 women to attend a 10-week development program run by Women & Leadership Australia. The company also continues to support participation in a biotech industry networking initiative of all female staff and senior leaders who are active supporters of women in the workplace, role models and champions of gender equity. The networking initiative includes presentations by industry role models.
Equal opportunity employer	Inclusion of female candidates in recruitment process for each role with female applicants, including for Board appointments.	Female candidates participated in all recruitment processes throughout FY22. 60% of the positions were filled with female candidates. 33% of the internal promotions that occurred in FY22 were female employees.
	Consistent and merit-based selection criteria and recruitment processes used when choosing successful candidates in all cases.	100% of successful candidates were selected on merit-based criteria after taking part in Starpharma's selection process.
Remuneration parity	Ensure no significant remuneration difference for individuals in similar roles, based on gender.	Analysis was completed of pre- and post-remuneration review "remuneration differentials to benchmarks" by gender and confirmed there were no significant gender differences in remuneration relative to role benchmarks.
Flexible working arrangements	Employees working under flexible working arrangements (including part time).	14% of employees work under flexible working arrangements, unrelated to the COVID-19 restrictions.
	Granting a majority of requests for flexible work arrangements for family responsibilities.	Mutually satisfactory flexible work arrangements were reviewed and agreed between the requesting employee and the company in 100% of cases during FY22.
Support for return to work after parental leave	Target a return to work following primary care parental leave of 75%.	One employee was on primary care parental leave in FY22 and returned to work by mutual agreement.
Awareness of unconscious bias	Train managers on unconscious bias.	The executive group completed this training during FY22.
Broadened measurement of diversity	Define diversity demographics beyond gender for the purposes of future reporting	The company is gathering wider diversity demographic information on its employees. The diversity measurement for future reporting is intended to cover all of gender, age (generational groups) and country of birth (cultural).

Slightly under half (49%) of Starpharma's employees are female, maintaining a similar gender representation to that of previous years. As captured in Starpharma's diversity objectives (above), the group strives to put in place measures, such as flexible working arrangements, specifically to encourage participation by all. The table below sets out the proportion of female employees in the whole organisation, in leadership/management roles ("CEO minus 2"), in senior executive positions and on the Board as at 30 June 2022.

Starpharma continues to have a high level of both gender and general diversity, however given the relatively small number of total employees, a change of one or few employees may have a significant impact on the group's performance in respect of the measurable diversity objectives.

Starpharma is also proud of the ethnic diversity of our employee population, with 50% of all employees born outside Australia in 18 different countries.

Starpharma continues to improve its range of objectives to support workplace diversity. For FY22, the group has expanded its objectives, adding a measurement for awareness of unconscious bias, and also plans to broaden its measurement of diversity.

% Female (at 30 June)	2022	2021
Whole organisation (staff and Board)	**49%**	**47%**
Leadership/management roles	**35%**	**42%**
Senior executive (CEO & direct reports)	**44%**	**43%**
Board	**50%**	**40%**

1.6 Board, committee and director performance
The performance of the Board and its committees are reviewed each year by the Chairman based on the completion of a formal feedback questionnaire by each director. The summarised results are then reported back to and discussed by the Board. This performance evaluation took place in FY22.

1.7 CEO and senior executive performance
Performance assessments for senior executives take place annually and took place during the year. Performance review timing of executives occur throughout July/August in respect of the prior financial year. The process for these assessments is described in the remuneration report under the heading "Remuneration governance" on page 22 of this report.

As part of the Board discussion on senior executive performance, directors give consideration to succession planning and development to ensure continuity and a smooth leadership transition in the event of senior executive movements. Separate succession planning discussions are also held as appropriate during the year.

Principle 2: Structure the Board to be effective and add value

2.1 Board committees
The Board has established two committees to assist in the execution of its duties and to allow detailed consideration of complex issues. The appropriateness of the committee structure and membership is reviewed on an annual basis. Board committees are chaired by an independent director other than the Chairman of the Board. Where applicable, matters determined by committees are submitted to the full Board as recommendations for Board decisions.

The committees established by the Board are:
- Remuneration and Nomination Committee; and
- Audit and Risk Committee.

Each committee's charter sets out its role, responsibilities, composition and structure. The committee charters are reviewed annually and were last reviewed in March 2022. Committee charters are available at www.starpharma.com/corporate_governance

Both committees report regularly to the Board and minutes of committee meetings are provided to the Board.

2.1.1 Remuneration and Nomination Committee
For the entire reporting period to 30 June 2022, the Remuneration and Nomination Committee comprised of at least three independent non-executive directors. P R Turvey was granted a special leave of absence during the year before his resignation in July 2021 for health reasons.

At the date of this report, the Remuneration and Nomination Committee is comprised of four independent non-executive directors, consisting of the following:

Ms Z Peach (Chair)
Mr R B Thomas
Ms L Cheng
Dr J R Davies

Details of these directors' qualifications and attendance at committee meetings are set out in the directors' report on pages 13 to 20.

The charter of the Remuneration and Nomination Committee deals with items, to the extent delegated by the Board, related to reviewing and making recommendations to the Board in respect of the following:

- Board and director candidate identification, appointments, elections, composition, independence, tenure and succession;
- Remuneration and incentive policies and practices generally;
- Remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors;
- The succession of the CEO and other senior executives;
- Diversity related items;
- Board skills matrix;
- Background checks for director candidates;
- Provision and oversight of induction and training development opportunities for directors; and
- Minimum shareholding requirements for non-executive directors (if any).

The Remuneration and Nomination Committee charter is available at www.starpharma.com/corporate_governance

2.1.2 Audit and Risk committee
For the entire reporting period to 30 June 2022, the Audit and Risk Committee comprised of at least three independent non-executive directors. P R Turvey was granted a special leave of absence during the year before his resignation in July 2021 for health reasons.

At the date of this report, the Audit and Risk Committee is comprised of four independent non-executive directors consisting of the following:

Mr D McIntyre (Acting Chair)
Mr R B Thomas
Ms Z Peach
Ms L Cheng

Details of these directors' qualifications and attendance at committee meetings are set out in the directors' report on pages 13 to 20.

Each member of the Audit and Risk Committee is financially literate, and jointly possess a number of relevant finance qualifications and experience. As a collective, the members of the Audit and Risk Committee between them have substantial financial, accounting and risk management related/technical expertise, as well as a sufficient understanding of the biotechnology industry, to be able to discharge the committee's

mandate effectively. Members have held relevant senior positions in companies and organisations, including in finance and risk management and are or have been members of other corporate audit committees, including ASX-listed companies. Such positions include chief financial officer, head of risk management and Chairman of Corporate Risk Management Committee, M&A director, and broker/analyst roles. Mr McIntyre is a CPA, and Mr Thomas is approved under the NSW prequalification scheme for Audit and Risk Committee Independent Chairs and Members for government/public sector agencies.

Ms Cheng was appointed to the Audit and Risk Committee on 1 August 2021. Ms Cheng has a strong background in finance with more than 25 years of experience as a finance executive and having previously served as Chair of an audit and risk committee for a large organisation.

The Board continually reviews committee membership to ensure the appropriate qualifications, skills and experience, which are currently optimal.

The committee meets at least twice a year, and has direct access to the company's auditor.

The charter of the Audit and Risk Committee deals with items, to the extent delegated by the Board, related to reviewing and making recommendations to the Board in respect of the following:

- Annual report, half-year financial report and financial forecasts or guidance given to the market;
- Systems of risk management and internal controls and review and recommendations on certain material exposure;
- All aspects related to the external auditor;
- Related party transactions;
- Material incidents; and
- Insurance.

The Audit and Risk Committee charter is available at www.starpharma.com/corporate_governance

2.2 Board skills

Part of the role of the Remuneration and Nomination Committee is to assist the Board to review the Board's composition and succession planning. Both the Board and the Remuneration and Nomination Committee work to ensure that the Board continues to have the right balance and mix of diversity (including gender), skills, experience, background and independence necessary to discharge its responsibilities.

The current composition of Starpharma's Board includes directors with core industry experience, as well as senior finance, legal and risk management experience, essential for the Audit and Risk Committee.

A skills and experience matrix is used to review the combined capabilities of the Board. A mix of general and specialty skills and experience areas critical to the success of the company are selected for directors to assess themselves against. Each area is closely linked to the company's core objectives and strategy.

The directors rated the depth of their skill and experience in each of the following areas:

1. Leadership in healthcare and/or scientific research;
2. Pharmaceutical/product development and supply chain;
3. International experience;
4. Regulation/public policy;
5. Licensing and commercialisation of innovation;
6. Science and technology
7. Sales, marketing and business development;
8. Governance;
9. Strategy & risk management;
10. Accounting/corporate finance;
11. Health, safety & environment;
12. Remuneration;
13. M&A/capital markets; and
14. Audit and risk.

The results of the matrix show that there are four or more directors with intermediate to deep skills and experience in each of the fourteen areas above. The Board reviews the matrix at least annually to ensure it covers the skills needed to serve the existing and emerging areas of Starpharma's business.

The breadth and depth of the desired skills and experience represented by the directors is notable considering the size of the Board, and no existing or projected competency gaps have been identified. This process provides an important input to succession planning for the Board.

Having regard to the current and future activities of the group, the Board considers that collectively it has the appropriate skills and experience in each area listed above.

2.3 Board members

Details of the members of the Board, their experience, qualifications, term of office and independence status are set out in the directors' report under the heading "Information on Directors". There are five non-executive directors, all of whom are deemed independent under the principles set out below, and one executive director, at the date of signing the directors' report. The Board seeks to ensure that:

– at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the group and directors with an external or fresh perspective; and
– the size of the Board is appropriate for the company and conducive to effective discussion and efficient decision-making.

The Board reviews the commitments of each non-executive director, such as other directorships, to consider each director's capacity to dedicate sufficient time to the company.

Starpharma's CEO also sits on the board of listed small-cap investment company Mirrabooka as a non-executive director. This external post exposes both Dr Fairley and Starpharma to insights from institutional investors and further extends the company's network and provides her with a different vantage point. Dr Fairley remains fully committed to her CEO role at Starpharma and the Board has carefully considered the time commitment to ensure her leadership of Starpharma is not impacted.

The Remuneration and Nomination Committee and Board assessed the executive and non-executive roles held by David McIntyre and Lynda Cheng in relation to their time commitment, and determined they each had adequate time available to serve on Starpharma's Board.

2.4 Directors' independence

The Board charter contains guidelines for assessing the materiality of directors' relationships that may affect their independence. These guidelines are aligned with the 4th Edition CGC Recommendations. The Board charter is available at www.starpharma.com/corporate_governance

The Board reviews the independence of directors before they are appointed, on an annual basis and at any other time where the circumstances of a director change such as to require reassessment. Factors relevant for the assessment of independence include tenure, business relationships.

Length of tenure

The Board considered the length of tenure of Ms Zita Peach who has served as a director at the date of this report for approximately 11 years. The Board is satisfied that Ms Peach maintains appropriate independence from management despite her length of tenure and therefore this factor is not considered to impact Ms Peach's assessed independence.

Business relationships with the company

The Board considered the independence of Dr Jeff Davies who is also a director and shareholder of Centre for Biopharmaceutical Excellence Pty Ltd, a life sciences consulting firm. The firm provides *ad hoc* consulting services to the company's subsidiary, Starpharma Pty Ltd. The Board notes that the value of this

consulting arrangement is not material, is typically provided by principals other than Dr Jeff Davies and on normal commercial terms. As such, this relationship is not considered to impact Dr Davies' assessed independence.

2.4.1 Independence Assessment
The Board has determined that all non-executive directors are independent at the date of this report. The CEO is not considered independent by virtue of being an executive director and a member of management.

2.5 Chairman and Chief Executive Officer (CEO)
The current Chairman, Mr Thomas, is an independent non-executive director appointed in 2013 and Chairman in June 2014. The CEO, Dr Jackie Fairley, was appointed as a director and CEO on 1 July 2006. The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the group's senior executives. The Board has established the functions delegated to the CEO. The CEO is responsible for implementing company strategies and policies, and for the day-to-day business operations of the group in accordance with the strategic objectives of the group as approved by the Board from time to time.

In accordance with current practice, the company's policy is for the roles of Chairman and CEO to be undertaken by separate people.

2.6 Director induction and professional development
The Remuneration and Nomination Committee oversees, reviews and makes recommendations to the Board in relation to the induction, training and development of non-executive directors, to ensure they have access to appropriate learning and development opportunities to develop and maintain the skills and knowledge required to effectively perform in their role as a director.

The Board receives regular updates at Board meetings and Board workshops which assist directors in keeping up to date with relevant market and industry developments.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

3.1 Values
Starpharma prides itself on a strong culture based on accountability, performance, and ethical behaviours. The company's core values are disclosed in its code of conduct, anti-bribery and corruption policy, whistleblower policy, discrimination, harassment and bullying policy, diversity and other policies, and is reported in its Environmental, Social and Governance ("ESG") Report.

3.2 Code of conduct
The Board is committed to the principles underpinning best practice in corporate governance, with a commitment to the highest standards of legislative compliance and financial and ethical behaviour. The company has established a code of conduct reflecting the core values of the company and setting out the standards of ethical behaviour expected of directors, officers and employees in all dealings and relationships including with shareholders, contractors, customers and suppliers, and with the group. The code of conduct is provided to new starters as part of their induction and behaviour is continually monitored to ensure compliance.

The code of conduct is reviewed periodically and was last updated in March 2022. The code of conduct covers employment practices, equal opportunity, harassment and bullying, conflicts of interest, use of group assets and disclosure of confidential information.

3.3 Whistleblower policy
Starpharma has a whistleblower policy which sets out the procedures for reporting of instances of illegal, fraudulent, or undesirable behaviour to ensure that Starpharma's Code of conduct and other policies are promoted and implemented, and that compliance with the law is maintained.

3.4 Anti-bribery and corruption policy
Starpharma has an anti-bribery and corruption policy which sets out responsibilities in relation to key areas of fraud, corruption, and bribery; gifts and entertainment; and political donations. Breaches of this policy may result in disciplinary action up to and potentially including dismissal.

The group has not had any material breaches in relation to its code of conduct, whistleblower policy or anti-bribery and corruption policy, and if such an event were to occur, Starpharma's directors would be appropriately informed. Starpharma's policies, including the code of conduct, whistleblower policy and anti-bribery and corruption policy are available at www.starpharma.com/corporate_governance.

3.5 Environmental policy and Climate change position
Starpharma has an environmental policy and a statement of its position on climate change

Information on the company's environmental policy and its climate change mitigation activities are detailed in its ESG Report available on its website at www.starpharma.com/corporate_governance.

Principle 4: Safeguard the integrity of corporate reports

4.1 Audit and Risk Committee
The company has established an Audit and Risk Committee consisting of at least three independent non-executive directors. Details regarding composition, meetings and charter are set out in sections 2.1 and 2.1.2 of this Corporate Governance Statement.

External auditors
The company's policy is to appoint an external auditor who clearly demonstrates quality and independence. The performance of the external auditor is reviewed annually. The current auditor, PricewaterhouseCoopers, has been the external auditor of the company since it commenced operations. It is PricewaterhouseCoopers' policy to rotate audit engagement partners on listed companies at least every five years. Starpharma's audit engagement partner was last appointed in FY20. An analysis of fees paid to the external auditor is provided in note 20 to the FY22 financial statements in this annual report.

It is the policy of the external auditor to provide an annual declaration of their independence to the Audit and Risk Committee. The external auditor attends each AGM and is available to answer questions shareholders may have in relation to the Auditor's Report and the conduct of the audit

4.2 CEO and CFO declarations for financial statements
Before the Board approves the company's financial statements for the half year or full year, the CEO and the CFO are required to provide a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

These declarations have been provided by the CEO and CFO to the Board in respect of the 2022 half year financial statements and the 2022 full year financial statements which are included in this annual report.

4.3 Verification process for unaudited reports
The company has established processes for management to review, and verify the accuracy of information and ensure the appropriate balance of information in its corporate reporting. For example, the group's management has procedures in place with relevant staff to allow the CEO and CFO to make appropriate certifications prior to approval of Starpharma's quarterly cashflow and activities report. Where appropriate, the company uses a documented verification process for the information and data contained in other reports, such as the ESG report.

Principle 5: Make timely and balanced disclosures

5.1. Continuous disclosure policy
The company has developed a continuous disclosure and shareholder communication policy to ensure compliance with the ASX Listing Rules and to facilitate effective communication with shareholders.

The Board has appointed the Company Secretary as the person responsible for disclosure of information to the ASX. The CEO and Company Secretary are responsible for ensuring that all announcements made by Starpharma to the ASX are accurate, balanced and comply with legal and ASX requirements, and are expressed in a clear and objective manner that allows an investor or its professional advisers to understand its ramifications and to assess its impact on the price or value of Starpharma securities.

The policy also sets out the requirements for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and overseeing and co-ordinating disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Procedures have been established for reviewing whether there is any price sensitive information that should be disclosed to the market or whether any price sensitive information may have been inadvertently disclosed.

Except in exceptional circumstances, all ASX announcements (other than standard compliance announcements or newsletters with no new material information) require the approval of the Chair, or another non-executive director in his absence.

A copy of the policy is available on the company's website at www.starpharma.com/corporate_governance

5.2. Board promptly receives material announcements
To ensure directors have visibility of Starpharma's market disclosures, the Board receives copies of all ASX announcements promptly as they are lodged with the ASX.

5.3. Investor presentations
AGM presentations and any investor presentations containing material new information are disclosed, in accordance with ASX Listing Rule 3.1. From time to time, the company will participate in investor, industry and scientific conferences, and for those events would typically publish an accompanying presentation on its website, or lodge it on the ASX announcements platform, as appropriate.

Principle 6: Respect the rights of shareholders

6.1 Information on website
The company provides ready access to its shareholders and members of the public to information about the company and its governance on its website at www.starpharma.com

6.2 Communication with investors
The company recognises that shareholders may not be aware of all group developments at all times, notwithstanding the release of information to the ASX in accordance with the company's continuous disclosure policy and the law. In addition to ensuring that all ASX announcements and company reports are available on the company's website as soon as possible following confirmation by the ASX of receipt of the announcement, the company will send to each shareholder who has so requested, either by email or post to their nominated address, annual reports.

ASX announcements are also posted on the OTCQX website (www.otcmarkets.com) in order to provide timely disclosure to US investors trading in the company's Level One ADRs (OTCQX:SPHRY). The company's website also has an option for shareholders to register their email address for direct email updates which the company may send for material company matters to, where they have previously been released to ASX and OTCQX.

6.3 Participation at Annual General Meetings
The AGM is generally held in November each year. The Notice of Meeting and related Explanatory Notes are distributed to shareholders in accordance with the requirements of the *Corporations Act 2001* (Cth).

The AGM provides an opportunity for the Board to communicate with shareholders through the Chair's address and the CEO's presentation.

Shareholders are given the opportunity, through the Chair, to ask general questions of the Board. Shareholders who are unable to attend the meeting in person may submit written questions together with their proxy form, to be addressed in the Chair's address, the CEO's presentation or put to the meeting by the Chair. For the 2021 AGM, the company used technology to conduct a virtual AGM, which included the ability for shareholders to ask questions. The external auditor attends each AGM and is available to answer questions shareholders may have in relation to the Auditor's Report and the conduct of the audit.

6.4 Voting by poll
All resolutions at Starpharma's shareholder meetings are voted on by poll rather than by show of hands.

6.5 Electronic communication with the company and its share registry
Shareholders and other interested parties are able to subscribe to Starpharma news via the company's website or to certain information via the company's share registry. Significant ASX announcements and financial reports are emailed to subscribers promptly following confirmation by the ASX of receipt of the relevant report or announcement.

Shareholders are also able to contact the company or submit questions or comments to the company's investor relations email address, and where appropriate, a response will be provided. No price sensitive information will be provided unless previously released to the ASX.

Principle 7: Recognise and manage risk

7.1. Audit and Risk Committee
The company has established an Audit and Risk Committee consisting of at least three independent non-executive directors. Details regarding its composition, meetings and charter are set out in section 2.1 and 2.1.2 of this Corporate Governance Statement.

7.2 Risk assessment and management
The Board, through the Audit and Risk Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The company operates in a challenging and dynamic environment, and risk management is viewed as integral to realising new opportunities as well as identifying issues that may have an adverse effect on the company's existing operations and its sustainability. The company is committed to a proactive approach towards risk management throughout its entire business operations. The Board aims to ensure that effective risk management practices become embedded in the company's culture and in the way activities are carried out at all levels of the group. The Board and management recognise the importance that risk management plays in ensuring the business is able to fully capitalise on the opportunities available to it, as well as mitigating potential loss.

Health and safety are considered to be of paramount importance and are the focus of significant risk management activities within the group. Other risk areas that are addressed include product liability, business continuity, cyber-security, reputation, intellectual property, product development, clinical trials and the environmental. Adherence to the code of conduct is required at all times and the Board actively promotes a culture of quality and integrity. The Board has required management to design and implement a risk management and internal control system to manage the group's material business risks. The risk management policy sets out policies for the oversight of material business risks, and describes the responsibilities and authorities of the Board, the Audit and Risk Committee, the CEO, CFO & Company Secretary, and the senior management team. A summary of the policy is available on the company's website at www.starpharma.com/corporate_governance

The CEO and CFO & Company Secretary are responsible to the Board through the Audit and Risk Committee for the overall implementation of the risk management program. During the financial year management has reported to the Board as to the effectiveness of the group's management of its material risks.

7.3 Internal audit function
Given the size of the company, there is no internal audit function. As detailed in section 7.2 of this Corporate Governance Statement, detailed risk assessments are carried out in respect of a wide range of items, and where appropriate and possible, risk mitigation strategies are implemented to minimise the chance of the risks occurring, and to minimise any impact where a risk eventuates.

7.4 Sustainability risks and management
The company's key economic, environmental and social sustainability risks are outlined on page 19 of the directors' report and the company's ESG Report available on Starpharma's website.

In addition to the risk assessment and management strategies outlined in section 7.2 of this Corporate Governance Statement and set out under "Risk Management" on page 19 of the directors' report, the company utilises a number of risk mitigation strategies including employing qualified staff and consultants, external advisors, maintaining a portfolio/pipeline of products and applications, and holding insurance in a number of areas.

Principle 8: Remunerate fairly and responsibly

8.1 Remuneration and Nomination Committee
The company has established a Remuneration and Nomination Committee consisting of at least three independent non-executive directors. Details regarding composition, meetings and charter are set out in sections 2.1 and 2.1.1 of this Corporate Governance Statement.

8.2 Non-executive and executive remuneration
Each member of the senior executive team has signed a formal employment contract covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. Each role has a position description which is reviewed by the CEO (or the committee in the case of the CEO) and relevant executive. Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the remuneration report on pages 21 to 42.

Executive directors and senior management receive a mix of fixed and variable pay, comprising both cash and equity incentives.

Non-executive directors receive fees only and do not receive bonus payments or equity incentives. Non-executive directors do not receive termination/retirement benefits, whereas executive directors and senior management are entitled to termination payments in accordance with the terms of their contracts (detailed on page 40).

8.3 Prohibition on hedging of unvested/restricted entitlements
Employees are prohibited from entering into transactions in products which limit the economic risk of any equity granted under an employee incentive scheme which are unvested or subject to a disposal restriction. Details in relation to this policy are contained in the securities dealing policy which is available at www.starpharma.com/corporate_governance

Contents

These financial statements are the consolidated financial statements for the consolidated entity consisting of Starpharma Holdings Limited and its subsidiaries (collectively, "the group"). The financial statements are presented in dollars denominated in Australian currency. Starpharma Holdings Limited is a public company limited by shares, incorporated and domiciled in the State of Victoria, Australia.

Its registered office and principal place of business is:

Starpharma Holdings Limited
4-6 Southampton Crescent
Abbotsford, Victoria, 3067
Australia

A description of the nature of the group's operations and its principal activities is included in the Chief Executive Officer's Report on pages 3 to 11 and in the operating and financial review in the Directors' Report on pages 16 to 20, which are not part of this financial report.

The financial statements were authorised for issue by the directors on 25 August 2022. The directors have the power to amend and reissue the financial report.

Through the use of the internet, Starpharma ensures that corporate reporting is timely and complete. All recent press releases, financial reports and other information are available on the group's website (www.starpharma.com), as well as ASX announcements and releases available via the Australian Securities Exchange (www2.asx.com.au/markets/trade-our-cash-market/historical-announcements).

Consolidated Income Statement for the year ended 30 June 2022

	Notes	30 June 2022 $'000	30 June 2021 $'000
Continuing operations			
Revenue	5	4,899	2,151
Cost of goods sold		(2,776)	(791)
Other income	5	263	1,336
Research and product development expense (net of R&D tax incentive)	6	(11,680)	(15,075)
Commercial and regulatory operating expense	6	(3,568)	(3,336)
Corporate, administration and finance expense	6	(3,292)	(4,017)
Loss before income tax		**(16,154)**	**(19,732)**
Income tax expense	7	-	-
Loss from continuing operations attributable to equity holders of the company		**(16,154)**	**(19,732)**
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company		**$**	**$**
Basic loss per share	26	($0.04)	($0.05)
Diluted loss per share	26	($0.04)	($0.05)

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

Consolidated Statement of Comprehensive Income for the year ended 30 June 2022

	30 June 2022	30 June 2021
	$'000	$'000
Loss for the period	**(16,154)**	**(19,732)**
Other comprehensive income (loss)		
Items that may be reclassified to profit or loss	-	-
Other comprehensive income (loss) for the period	-	-
Total comprehensive income (loss) for the period	**(16,154)**	**(19,732)**

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

Consolidated Balance Sheet as at 30 June 2022

	Notes	30 June 2022 $'000	30 June 2021 $'000
Current Assets			
Cash and cash equivalents	8	49,918	60,500
Trade and other receivables	9	7,916	8,534
Inventories	10	2,824	1,721
Total Current Assets		**60,658**	**70,755**
Non-Current Assets			
Property, plant and equipment	11	1,336	1,373
Right-of-use assets	13	4,181	1,110
Total Non-Current Assets		**5,517**	**2,483**
Total Assets		**66,175**	**73,238**
Current Liabilities			
Trade and other payables	12	7,731	7,954
Lease liabilities	13	695	692
Provision for employee benefits	14	1,339	1,371
Deferred income	5	466	412
Total Current Liabilities		**10,231**	**10,429**
Non-Current Liabilities			
Borrowings	15	4,000	-
Lease liabilities	13	3,494	475
Provision for employee benefits	14	57	34
Total Non-Current Liabilities		**7,551**	**509**
Total Liabilities		**17,782**	**10,938**
Net Assets		**48,393**	**62,300**
Equity			
Contributed capital	16	240,669	240,630
Reserves	17	26,285	24,077
Accumulated losses	18	(218,561)	(202,407)
Total Equity		**48,393**	**62,300**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2022

	Notes	Contributed capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2020		**193,661**	**20,340**	**(182,675)**	**31,326**
Loss for the year		-	-	(19,732)	(19,732)
Other comprehensive income (loss)		-	-	-	-
Total comprehensive income (loss) for the year		**-**	**-**	**(19,732)**	**(19,732)**
Transactions with owners, recorded directly in equity					
Contributions of equity, net of transaction costs		46,931	-	-	46,931
Employee share plans	16	38	-	-	38
Employee performance rights plan	17	-	3,737	-	3,737
Total transactions with owners		**46,969**	**3,737**	**-**	**50,706**
Balance at 30 June 2021		**240,630**	**24,077**	**(202,407)**	**62,300**
Loss for the year		-	-	(16,154)	(16,154)
Other comprehensive income (loss)		-	-	-	-
Total comprehensive income (loss) for the year		**-**	**-**	**(16,154)**	**(16,154)**
Transactions with owners, recorded directly in equity					
Employee share plans	16	39	-	-	39
Employee performance rights plan	17	-	2,208	-	2,208
Total transactions with owners		**39**	**2,208**	**-**	**2,247**
Balance at 30 June 2022		**240,669**	**26,285**	**(218,561)**	**48,393**

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

Consolidated Statement of Cash Flows for the year ended 30 June 2022

	Notes	30 June 2022 $'000	30 June 2021 $'000
Cash Flows from Operating Activities			
Receipts from trade and other debtors (inclusive of GST)		4,846	2,436
Grant income and R&D tax incentives (inclusive of GST)		8,165	7,103
Payments to suppliers and employees (inclusive of GST)		(26,292)	(24,652)
Interest received		166	362
Interest paid		(47)	(57)
Net cash outflows from operating activities	25	**(13,162)**	**(14,808)**
Cash Flow from Investing Activities			
Payments for property, plant and equipment		(837)	(246)
Proceeds from sale of available-for-sale financial assets		1	-
Net cash outflows from investing activities		**(836)**	**(246)**
Cash Flow from Financing Activities			
Proceeds from issue of shares		-	48,862
Share issue transaction costs		-	(1,931)
Proceeds from borrowings		4,000	-
Lease repayments		(772)	(628)
Net cash inflows (outflows) from financing activities		**3,228**	**46,303**
Net increase (decrease) in cash and cash equivalents held		**(10,770)**	**31,249**
Cash and cash equivalents at the beginning of the year		60,500	30,054
Effects of exchange rate changes on cash and cash equivalents		188	(803)
Cash and cash equivalents at the end of the year		**49,918**	**60,500**

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

Contents

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Starpharma Holdings Limited ("the company" or "parent entity") and its subsidiaries (collectively, "the group" or "the consolidated entity").

(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 and the *Corporations Act 2001*. Starpharma Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2021:

- AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions [AASB 16], and
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139].

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) Early adoption of standards

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2021.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(vi) Going Concern

For the year ended 30 June 2022, the group has incurred losses from continuing operations of $16,154,000 (2021: $19,732,000) and experienced net cash outflows of $13,162,000 from operations (2021: $14,808,000), as disclosed in the income statement and statement of cash flows, respectively. The group is in the development and early commercialisation phase, and given the entity's strategic plans, the directors are satisfied regarding the availability of working capital for the period up to at least 31 August 2023. Accordingly, the directors have prepared the financial report on a going concern basis in the belief that the consolidated entity will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial report.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the group as at 30 June 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group has one subsidiary, Starpharma Pty Limited.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(c) 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 Chief Executive Officer.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

(e) Revenue recognition

The accounting policies for the group's revenue from contracts with customers are explained in note 5.

(f) Government grants

Grants from the Australian government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all relevant conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. All government grants, with the exception of the Australian Government Research & Development Tax Incentive (note 3(ii)), are recorded in the income statement within Other Income (note 5).

(g) Income tax

The income tax expense or revenue 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 differences and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity, respectively. The company and its wholly-owned Australian controlled entity, Starpharma Pty Limited, are not consolidated for tax purposes.

(i) Investment allowances and similar tax incentives

Companies within the group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (eg. investment allowances). The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(h) Leases

The group's leasing policy is described in note 13.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite life are not subject to amortisation. They are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held with financial institutions, and other 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. The amount of significant cash and cash equivalents not available for use is disclosed in note 8.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit loss. Trade receivables are generally due for settlement within 30 to 60 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Collectability of trade receivables is reviewed on an ongoing basis. The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. An expected credit loss is recognised when there is objective evidence that the group will not be able to collect the relevant receivable.

(l) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Costs are assigned to individual items of inventory on the basis of weighted average. costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortised cost.

The classification depends on the each entity's business model for managing the financial assets and the contractual terms of the cash flows.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 9) in the balance sheet.

(n) Property, plant and equipment and leasehold improvements

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of the residual values, over their estimated useful lives. The expected useful lives are 2 to 20 years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

The cost of improvements to or on leasehold properties is amortised over the remaining notice period under the premises lease (being 6 months at the reporting date) or the estimated useful life of the improvement to the group, whichever is shorter.

(o) Intangible assets

(i) Patents and licenses

Costs associated with patents are expensed as incurred. Licenses and acquired patents with a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licenses and patents over the period of the expected benefit, which is up to 20 years. As at the reporting date no patents or licenses are recognised as intangible assets.

(ii) Research and development

Research and development expenditure is expensed as incurred except that costs incurred on development projects, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. To date no research and development costs have been recognised as intangible assets.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(q) Provisions

Provisions for legal claims, service claims and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, and it is more probable than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate for the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessment of the time, value of money, and the risks specific to the liability. The increase of the provision due to the passage of time is recognised as interest expense.

(r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual and long-service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual and long service leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Superannuation and Pension Benefits

Group companies make the statutory superannuation guarantee contribution in respect of each employee to their nominated complying superannuation or pension fund. In certain circumstances pursuant to an employee's employment contract the group companies may also be required to make additional superannuation or pension contributions and/or agree to make salary sacrifice superannuation or pension contributions in addition to the statutory guarantee contribution. The relevant entities legal or constructive obligation is limited to the above contributions. Contributions to the employees' superannuation or pension plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

(iii) Share-based payments

Share-based compensation benefits are offered to employees via an Employee Performance Rights Plan and an Employee Share Plan ($1,000 Plan). Information relating to these plans is set out in note 27 and in the remuneration report under the directors' report.

The fair value of performance rights granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period. Depending on the performance measure of the right vesting, the fair value at grant date represents either a volume weighted average price (VWAP) of shares leading up to the grant date, or a value calculated using a hybrid Monte-Carlo-trinomial option pricing model taking into account the absolute total shareholder return (TSR) target, the term of the right, the share price at grant date, the risk free rate, the expected dividend yield, expected share price volatility, the volatility of the relevant index, and the correlation between the share price and that index. The fair value excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of performance rights that are expected to become exercisable. The employee benefit expense recognised in each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

Under the Employee Share Plan ($1,000 Plan) shares are issued to employees for no cash consideration and vest at the earlier of three years or cessation of employment. On this date, the market value of the shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

(iv) Bonus payments

The group recognises a liability and an expense for employee bonuses based on a formula that takes into consideration performance criteria that have been set. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

For non-cash incentives where equity is granted, please refer to note 27 and the remuneration report under the directors' report.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(s) Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(t) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or performance rights are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or performance rights, for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable from, or payable to, the taxation authority and are included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(x) Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(y) Parent entity financial information

The financial information for the parent entity disclosed in note 28 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Share-based payments

The grant by the parent entity of rights over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2. Financial Risk Management

The group's activities expose it to a variety of financial risks; including market risk, credit risk and liquidity risk. The group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The Chief Executive Officer, and Chief Financial Officer & Company Secretary, under the guidance of the Audit and Risk Committee and the Board, have responsibility for the financial risk management program.

(a) Market risk

(i) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The group operates internationally and is exposed to foreign exchange risk arising from currency exposures to major currencies including United States dollars (US$) and Great British pounds (£).

On the basis of the nature of these transactions, the group does not use derivative financial instruments to hedge such exposures but maintains cash and deposits in Australian dollars, United States dollars and Great British pounds. The directors regularly monitor the potential impact of movements in foreign exchange exposure.

The exposure to foreign currency risk at the reporting date calculated using the closing exchange rate as at 30 June 2022 for US$ of $0.6894 and for £ of $0.5677 was as follows:

	30 June 2022 US$ $'000	30 June 2021 US$ $'000	30 June 2022 £ £'000	30 June 2021 £ £'000
Cash and cash equivalents	1,325	4,461	352	955
Trade and other receivables	22	255	56	253
Trade and other payables	867	469	2,136	1,678

Group Sensitivity

The group is mainly exposed to US$ and £ on foreign currencies held, receivable and payable. The following table details the group's sensitivity to a 10% increase and decrease in the Australian dollar against the US$ or £. A positive number indicates a favourable movement; that is an increase in profit or reduction in the loss.

	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 £'000	30 June 2021 £'000
Impact on profit / (loss) on a movement of	**US$**	**US$**	**£**	**£**
Australian dollar strengthens (increases) against the foreign currency by 10%	(63)	(514)	277	79
Australian dollar weakens (decreases) against the foreign currency by 10%	77	628	(338)	(96)

(ii) Cash Flow Interest Rate Risk

The group holds interest bearing assets and therefore the income and operating cash flows are exposed to market interest rates. At the end of the reporting period, the group had the following value of term and at call deposits. Refer to note 8 for additional information.

	30 June 2022 $'000	30 June 2021 $'000
Term Deposits and deposits at call	45,792	57,299

Group Sensitivity

At 30 June 2022, if interest rates changed by 50 basis points (0.50%) either higher or lower from the year end rates with all other variables held constant, group profit for the year would have been $229,000 higher or lower (2021 - change of 50 bps: $288,000 higher/lower) due to either higher or lower interest income from cash or cash equivalents.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures from sales and distribution, product supply, licensing and royalty agreements. Credit risk for cash and deposits with banks and financial institutions is managed by maximising deposits held under major Australian banks. All cash and deposits are held with the National Australia Bank and Commonwealth Bank of Australia. Other than government grants, tax incentives and taxes receivable, third party receivables largely consist of customer receivables from leading, multinational organisations.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves and marketable securities. The directors regularly monitor the cash position of the group, giving consideration to the level of expenditure and future capital commitments.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Income Taxes

The group is subject to income taxes in Australia. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination may be uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. The group has not recognised deferred tax assets or liabilities, including from carried forward losses, due to the realisation of such benefits being uncertain. The utilisation of tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are sought to be recouped.

ii) Australian Government Research & Development Tax Incentives

The group's eligible research and development activities qualify for the Australian Government R&D tax incentive. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. For the period to 30 June 2022 the group has recorded a contra research and development expense of $7,261,000 (2021: $7,248,000). The total R&D Tax Incentive receivable recorded at 30 June 2022 is $6,747,000 (2021: $7,233,000).

4. Segment Information

The group has determined that on the basis of internal reporting and monitoring to the Chief Executive Officer, who is the chief operating decision maker, the group operates in one business segment, being the discovery, development and commercialisation of dendrimers for pharmaceutical, life science and other applications.

5. Revenue and Other Income

Revenue and other income from continuing operations	30 June 2022 $'000	30 June 2021 $'000
Revenue from contracts with customers	4,682	1,798
Interest revenue	217	353
Total revenue from continuing operations	**4,899**	**2,151**
Other income	263	1,336
Total revenue and other income from continuing operations	**5,162**	**3,487**

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers includes products sales, royalties, and research revenue from partners, with VIRALEZE™ sales to Vietnam a major contributor to revenue for the year.

Total revenue from contracts with customers for the year was $4,682,000 (2021: $1,798,000) which is predominately product sales and royalties on VIRALEZE™ and VivaGel® products.

Assets and liabilities related to contracts with customers
The group has recognised the following current assets and current liabilities related to contracts with customers:

	30 June 2022 $'000	30 June 2021 $'000
Trade and other receivables	519	488
Contract liabilities	(466)	(1,141)

Customer trade and other receivables as at 30 June 2022 are $519,000.

Contract liabilities include $435,000 for potential VivaGel® BV product discounts, that are dependent on product registrations in certain countries. The prior year included $729,000 for VIRALEZE™ product sales returns from LloydsPharmacy following the decision to temporarily pause commercial sales of VIRALEZE™ following the UK Medicines and Healthcare products Regulatory Agency (MHRA) review of the product promotional claims.

Performance obligations
Revenue is recognised when the company satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services. Information about the company's performance obligations are summarised below:

(i) Licensing revenue and royalties
Typically, a licence granted by the company provides the customer with the right to use, but not own, the company's intellectual property as it exists at the point in time the licence is granted. The company may receive signature payments, milestone payments for specific development (such as clinical or regulatory) or commercial based outcomes, and/or sales-based royalties as consideration for the licence. The performance obligation(s) for a licence are usually satisfied upon, or soon after, the granting of the licence to the partner. Signature payments are normally fixed, where-as development and commercial milestones are variable consideration as they are dependent on the achievement of certain events in the future. The company's estimate of variable consideration will only be recognised to the extent it is highly probable that a significant revenue reversal will not occur in future periods.

Royalties based on sales of product are recognised when the customer's sales of product occur. Where consideration includes guaranteed minimum royalties, they are recognised when the licence is granted or when they are no longer subject to constraint.

Milestones payments are generally due within 30 to 60 days from timing of the milestone event. Royalties are generally due 30 to 60 days after the end of the defined royalty reporting period.

(ii) Product sales
The performance obligation is satisfied upon delivery of the goods. Payment is on normal commercial terms, which may include prepayment and/or payment within 30 to 60 days from delivery. Some contracts provide customers with a right of return for product non-conformance, or discounts based on product shelf-life, which may give rise to variable consideration subject to constraint.

(iii) Research revenue
The performance obligation is satisfied over-time upon completion of outlined deliverables and payment is generally due within 30 to 60 days of achievement of each deliverable.

Other income
Other income of $258,000 (2021: $1,336,000) includes grant funding awarded by the Medical Research Future Fund (MRFF) to expedite development and commercialisation of VIRALEZE™. There are no unfulfilled conditions or other contingencies attaching to any grants.

6. Expenses

Loss from continuing operations before income tax expense includes the following items:	30 June 2022 $'000	30 June 2021 $'000
R&D tax incentive (contra expense)[1]	(7,261)	(7,248)
Employee benefits expenses (including share-based payments)	10,427	11,094
Depreciation of property, plant and equipment	355	298
Depreciation of right-of-use assets	723	636

[1] Included within the research and product development expense line item in the consolidated income statement.

7. Income Tax Expense

	30 June 2022 $'000	30 June 2021 $'000
(a) Income tax expense/(credit)		
Current Tax / Deferred Tax	–	–
Total income tax expense	**–**	**–**
Income tax attributable to continuing operations	–	–
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(16,154)	(19,732)
Tax at the Australian tax rate of 30% (2021: 30%)	(4,846)	(5,920)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Eligible expenses claimed under R&D tax incentive	2,475	2,814
Share-based payments	674	1,133
Sundry items	(122)	109
Future income tax benefits not brought to account	1,822	1,864
income tax expense	**–**	**–**
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised (as recovery is currently not probable)	131,620	126,175
Potential tax benefit	**39,486**	**37,852**
(d) Unrecognised temporary differences		
Temporary differences for which no deferred tax asset has been recognised (as recovery is currently not probable)	5,282	5,722
Unrecognised deferred tax relating to the temporary differences	**1,585**	**1,717**
(e) Deferred tax liabilities		
Unrecognised deferred tax liabilities relating to the above temporary differences:		
Lease right-of-use assets	1,254	333
Property, plant and equipment	261	201
Sundry items	4	4
Total deferred tax liabilities	**1,519**	**538**
Set-off of deferred tax assets pursuant to set-off provisions	(1,519)	(538)
Net deferred tax liabilities	**–**	**–**

Deferred tax assets and deferred tax liabilities have been set-off as there is a legally recognised right to set-off current tax assets and liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the relevant tax authority. Deferred tax assets are mainly attributable to unused tax losses. Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2022 because the directors do not presently believe that it is appropriate to regard realisation of the future income tax benefit as probable. Similarly, future benefits attributable to net temporary differences have not been brought to account as the directors do not regard the realisation of such benefits as probable.

Realisation of the benefit of tax losses would be subject to the group satisfying the conditions for deductibility imposed by tax legislation and no subsequent changes in tax legislation adversely affecting the group. The group has made an assessment as to the satisfaction of deductibility conditions at 30 June 2022 which it believes will be satisfied.

8. Current Assets – Cash and Cash Equivalents

	30 June 2022 $'000	30 June 2021 $'000
Cash at bank and on hand	4,126	3,201
Term Deposits and deposits at call	45,792	57,299
	49,918	**60,500**

Cash at bank and on hand
The cash at bank and on hand is non-interest bearing, and includes foreign currencies held.

Term deposits and deposits at call
The term deposits have maturities of 3 months or less. Funds in deposits at call allow the group to withdraw funds on demand.

Deposits not available
There is $1,163,000 (2021: $1,159,000) of term deposits not available for use due to funds being utilised as security for a bank guarantee on the company's property lease, and for a finance lease facility.

Interest rate risk
Current receivables are non-interest bearing.

30 June 2022		Floating Interest rate	Fixed interest maturing			Non-interest bearing		
	Notes	$'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000	$'000	Total $'000	Contractual cash flows
Financial Assets								
Cash & deposits	8	6,597	39,195	–	–	4,126	49,918	N/A
Receivables	9	–	–	–	–	7,916	7,916	7,916
		6,597	**39,195**	**–**	**–**	**12,042**	**57,834**	**7,916**
Weighted average interest rate		*1.0%*	*1.6%*	*–%*	*–%*	*–%*		
Financial Liabilities								
Payables	12	–	–	–	–	7,731	7,731	7,731
Lease liabilities	13	–	695	3,125	369	–	4,189	4,189
Borrowings	15	4,000	–	–	–	–	4,000	4,000
		4,000	**695**	**3,125**	**369**	**7,731**	**15,920**	**15,920**
Weighted average interest rate		*1.0%*	*4.1%*	*4.2%*	*4.4%*	*–%*		

30 June 2021		Floating Interest rate	Fixed interest maturing		Non-interest bearing		
	Notes	$'000	1 year or less $'000	1 to 5 years $'000	$'000	Total $'000	Contractual cash flows
Financial Assets							
Cash & deposits	8	51,214	6,373	–	2,913	60,500	N/A
Receivables	9	–	–	–	8,534	8,534	8,534
		51,214	**6,373**	**–**	**11,447**	**69,034**	**8,534**
Weighted average interest rate		*0.7%*	*0.2%*	*–%*	*–%*		
Financial Liabilities							
Payables	12	–	–	–	7,954	7,954	7,954
Lease liabilities	13	–	692	475	–	1,167	1,167
		–	**692**	**475**	**7,954**	**9,121**	**9,121**
Weighted average interest rate		*–%*	*4.3%*	*3.9%*	*–%*		

9. Current Assets – Trade and Other Receivables

	30 June 2022 $'000	30 June 2021 $'000
Trade and grant receivables	7,285	7,905
Interest receivables	53	2
Prepayments	80	95
Other receivables	498	532
	7,916	**8,534**

Trade and grant receivables
Trade and grant receivables primarily comprise of $6,747,000 (2021: $7,233,000) of expenditure reimbursable under the Australian Government's Research & Development tax incentive scheme, with the balance related to customer receivables, and other government grants receivable. Customer receivables are subject to normal terms of settlement within 30 to 60 days.

Other receivables
Other receivables comprise GST/VAT and other taxes refundable and sundry debtors, and are subject to normal terms of settlement within 30 to 90 days.

Credit risk
The group considers that there is no significant credit risk with respect to trade and other receivables. Grant receivables are with government bodies and trade receivables are from large companies.

Impaired receivables
As at 30 June 2022, there were no material trade and grant receivables that were past due (2021: nil). The group applies the accounting policy in note 1(k) to trade receivables. Under the expected credit loss model, no receivables are considered impaired at 30 June 2022 (2021: nil).

10. Inventories

Current Assets	30 June 2022 $'000	30 June 2021 $'000
Raw materials	2,316	909
Work in progress	249	68
Finished goods	259	618
Finished goods – right to recover products	-	126
	2,824	**1,721**

Assigning costs to inventories
The costs of individual items of inventory are determined using the weighted average cost method. See note 1(l) for detail on the group's accounting policy for inventories.

Amounts recognised in profit or loss
Inventories recognised as an expense during the year ended 30 June 2022 amounted to $2,776,000 (2021: $791,000). These were included in cost of goods sold.

Write-downs of inventories to net realisable value amounted to $Nil (2021: $67,000). These were included in cost of goods sold.

Raw materials
Raw materials consist of the key raw materials and components used in the manufacture of commercial products, including VIRALEZE™ and VivaGel®.

Finished goods
Finished goods are products that are subject to a customer purchase order, have completed production, or are awaiting delivery to the customer.

11. Non-Current Assets – Property, Plant and Equipment

	Plant and Equipment $'000	Leasehold improvements $'000	Total $'000
At 30 June 2020			
Cost	3,620	656	4,276
Accumulated depreciation	(2,864)	(535)	(3,399)
Net book amount	**756**	**121**	**877**
Year ended 30 June 2021			
Opening net book amount	756	121	877
Additions	792	3	795
Disposals	-	-	-
Depreciation	(249)	(50)	(299)
Closing net book amount	**1,299**	**74**	**1,373**
At 30 June 2021			
Cost	4,412	659	5,071
Accumulated depreciation	(3,113)	(585)	(3,698)
Net book amount	**1,299**	**74**	**1,373**
Year ended 30 June 2022			
Opening net book amount	1,299	74	1,373
Additions	754	32	786
Disposals	(6)	-	(6)
Reclassify as right-of-use asset	(462)	-	(462)
Depreciation	(288)	(67)	(355)
Closing net book amount	**1,297**	**39**	**1,336**
At 30 June 2022			
Cost	4,623	691	5,314
Accumulated depreciation	(3,326)	(652)	(3,978)
Net book amount	**1,297**	**39**	**1,336**

12. Current Liabilities – Trade and Other Payables

	30 June 2022 $'000	30 June 2021 $'000
Trade payables and accruals	6,762	6,711
Other payables	969	1,243
	7,731	**7,954**

Trade payables and accruals

The majority of trade payables are related to expenditure associated with the group's research and product development programs, and purchases of raw materials for commercial products.

13. Current and Non-Current Assets/Liabilities – Leases

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	30 June 2022 $'000	30 June 2021 $'000
Premises	3,606	915
Plant and equipment	575	195
	4,181	**1,110**
Lease liabilities		
Current	695	692
Non-current	3,494	475
	4,189	**1,167**

The group leases premises (laboratory and offices space) until 19 December 2022, with an extension option until 19 December 2027. At period end it was reasonably certain that the option would be exercised, therefore the lease assets and liabilities have been remeasured for the further lease term.

The group also leases scientific equipment generally over a three to five year term.

The consolidated income statement includes the following amounts relating to leases:

Depreciation charge of right-of-use assets	30 June 2022 $'000	30 June 2021 $'000
Premises	594	610
Plant and equipment	129	26
Depreciation charge of right-of-use assets	**723**	**636**
Interest expense on lease liabilities	42	57
Expense relating to leases of low-value assets	4	7
Expense relating to variable lease payments not included in lease liabilities	60	70
Total cash outflow for leases	814	685

14. Current and Non-Current Liabilities – Provision for Employee Benefits

Leave obligations	30 June 2022 $'000	30 June 2021 $'000
Current	1,339	1,371
Non-current	57	34
	1,396	**1,405**

The leave obligations represent the group's liability for employee long service leave and annual leave. The current portion of this liability includes all of the accrued annual leave, and the unconditional entitlements to long service leave where employees have completed the required period of service. However, based on past experience, the group does not expect all employees to take the full amount of current accrued leave or require payment of the entire amount within 12 months from the reporting date. Current leave obligations expected to be settled after the date which is 12 months from the reporting date is $979,000 (2021: $1,015,000).

Refer to note 1(r) for further information.

15. Non-Current Liabilities – Borrowings

Borrowings of $4,000,000 (2021: $nil) relate to an Invest Victoria low-interest R&D cash flow loan with Treasury Corporation of Victoria (TCV). The Invest Victoria R&D Cash Flow Loan initiative supports innovative Victorian entities to invest in research and development activities. The facility matures in October 2023 and is secured against future refundable R&D tax incentives. The interest rate is a TCV variable rate determined with reference to the Reserve Bank of Australia's target cash rate and TCV's client lending fees. The interest rate was 1.015% per annum at the reporting date.

16. Contributed Equity

(a) Share capital

	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Share Capital				
Ordinary shares – fully paid	408,443,407	406,078,026	240,669	240,630

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue Price	$'000
1 Jul 2021		406,078,026		240,630
13 Sep 2021	Employee performance rights plan share issue	159,857	$ –	–
1 Nov 2021	Employee performance rights plan share issue	442,272	$ –	–
1 Feb 2022	Employee share plan ($1,000) issue	37,128	$ 1.07	39
1 Feb 2022	Employee performance rights plan share issue	691,850	$ –	–
17 Mar 2022	Employee performance rights plan share issue	35,281	$ –	–
27 May 2022	Employee performance rights plan share issue	998,993	$ –	–
	Balance at 30 June 2022	**408,443,407**		**240,669**

Date	Details	Number of shares	Issue Price	$'000
1 Jul 2020		372,562,687		193,661
23 Sep 2020	Employee performance rights plan share issue	188,281	$ –	–
30 Oct 2020	Employee performance rights plan share issue	689,543	$ –	–
6 Oct 2020	Share placement	30,000,000	$ 1.50	45,000
4 Nov 2020	Share purchase plan	2,574,701	$ 1.50	3,862
	Less transaction costs for share placement and share purchase plan			(1,931)
27 Jan 2021	Employee share plan ($1,000) issue	24,814	$ 1.53	38
9 Apr 2021	Employee performance rights plan share issue	38,000	$ –	–
	Balance at 30 June 2021	**406,078,026**		**240,630**

(c) Ordinary shares

As at 30 June 2022 there were 408,443,407 issued ordinary shares. Ordinary shares 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 duly convened shareholder meeting in person or by 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 authorised capital. There is no current on-market share buy-back.

(d) Employee Share Plan ($1,000 Plan)

Information relating to the Employee Share Plan, including details of shares issued under the plan, is set out in note 27.

(e) Employee Performance Rights Plan

Information relating to the Employee Performance Rights Plan, including details of rights issued under the plan, is set out in note 27.

(f) Capital risk management

The group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

17. Reserves

(a) Reserves

	30 June 2022 $'000	30 June 2021 $'000
Share-based payments reserve	26,285	24,077
	26,285	**24,077**

(b) Movement in reserves

Share-based payments reserve	30 June 2022 $'000	30 June 2021 $'000
Balance at 1 July	24,077	20,340
Performance right expense	2,208	3,737
Balance at 30 June	**26,285**	**24,077**

(c) Nature and purpose of reserves

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

18. Accumulated Losses

	30 June 2022 $'000	30 June 2021 $'000
Accumulated losses balance at 1 July	(202,407)	(182,675)
Net loss for the year	(16,154)	(19,732)
Accumulated losses balance at 30 June	**(218,561)**	**(202,407)**

19. Related Party Transactions

(a) Parent entity and subsidiaries

The parent entity of the group is Starpharma Holdings Limited. Interests in subsidiaries are set out in note 24.

(b) Key management personnel compensation

	30 June 2022 $	30 June 2021 $
Short-term employee benefits	2,363,172	2,470,508
Post-employment benefits	150,685	133,993
Other long-term benefits	22,000	31,994
Share-based payments	897,570	1,928,562
	3,433,427	**4,565,057**

Detailed remuneration disclosures are provided in the remuneration report on pages 21 to 42.

(c) Transactions with group entities

There are related party transactions within the group between the parent and subsidiaries. Transactions include funds advanced to/from entities and the associated interest charge; and management and services fees. All transactions were made on an arm's length basis

(d) Transactions with other related parties

The group paid $22,213 for consulting services to Centre for Biopharmaceutical Excellence Pty Ltd, which Starpharma non-executive director Dr Jeff Davies (appointed 1 April 2022), is also a director and shareholder. The consulting services were provided by principals other than Dr Jeff Davies and were on normal commercial terms.

20. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as auditor of the parent entity, its related practices and non-related audit firms:

	30 June 2022 $	30 June 2021 $
Auditors of the group – PwC		
Audit and review of financial reports of the entity or any entity in the consolidated entity	155,250	146,462
Other assurance services	6,630	-
Total services provided by PwC	**161,880**	**146,462**

Other assurance services relate to audit of an income and expenditure report for grant funding.

21. Events Occurring After the Balance Sheet Date

No matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect:
(a) the consolidated entity's operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the consolidated entity's state of affairs in future financial years.

22. Commitments

(a) Capital Commitments

There is no material capital expenditure contracted not recognised as liabilities at the reporting date (2021: nil).

(b) *Termination Commitments*

The service contracts of key management personnel include benefits payable by the group on termination of the employee's contract. Refer to the remuneration report for details of these commitments.

23. Contingencies

Starpharma has licensed VivaGel® BV in the United States to ITF Pharma and is eligible to receive up to US$101M in regulatory approval and commercialisation milestones, plus royalties on net sales. Upon receipt of cash proceeds under the licence, Starpharma is required to pay a small proportion of its receipts to an investment bank which advised on the competitive licence process, up to a maximum of US$1.35M over the life of the licence (2021: US$1.35M).

Starpharma engaged a number of service providers to develop and assist with the implementation of a full direct to market commercialisation plan for VIRALEZE™ antiviral nasal spray. In order to preserve capital, Starpharma negotiated to defer a majority of the fee to a service provider. Pursuant to this arrangement, the maximum remaining amount payable by the group to the service provider is A$1.2M (30 June 2021: A$1.2M), subject to VIRALEZE™ sales performance and licensing proceeds.

The company has no contingent assets at 30 June 2022 (2021: nil).

24. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b).

			Equity Holding	
Name of entity	Country of Incorporation	Class of Shares	2022 %	2021 %
Starpharma Pty Limited	Australia	Ordinary	100.00%	100.00%

25. Reconciliation of Profit After Income Tax to Net Cash Inflow from Operating Activities

	30 June 2022 $'000	30 June 2021 $'000
Operating profit/(loss) after tax	(16,154)	(19,732)
Depreciation and amortisation	1,079	935
Foreign exchange (gain)/loss	(188)	803
Non-cash employee benefits: share-based payments	2,247	3,737
Net gain/(loss) on sale of property, plant and equipment	(6)	-
Change in operating assets and liabilities, net of effects of acquisitions and disposals of entities:		
Decrease/(increase) in receivables and other assets	629	(2,369)
(Increase)/decrease in inventories	(1,103)	(1,227)
Increase/(decrease) increase in trade creditors	289	2,934
Increase in employee provisions	(9)	136
Increase/(decrease) in deferred income	54	(25)
Net cash outflows from operating activities	**(13,162)**	**(14,808)**

26. Earnings Per Share

	30 June 2022	30 June 2021
Basic earnings/(loss) per share / Diluted earnings/(loss) per share		
Total earnings/(loss) per share attributable to the ordinary equity holders of the company ($)	(0.04)	(0.05)
Reconciliations of earnings/(loss) used in calculating earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings/(loss) per share: ($'000)	(16,154)	(19,732)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	406,900,098	396,875,857

As at 30 June 2022 the company had on issue 15,784,044 (30 June 2021: 17,472,497) performance rights. The rights are not included in the determination of basic earnings per share. The rights are also not included in the determination of diluted earnings per share. They are not considered dilutive as their conversion would not increase loss per share from continuing operations.

27. Share-Based Payments

Performance Rights

(a) Employee Performance Rights Plan
In 2010 the Board approved the introduction of the Employee Performance Rights Plan (Plan), which was subsequently approved by shareholders at the 2011, 2014, 2017 and 2020 annual general meetings. All executives and staff, including the Chief Executive Officer, are eligible to participate in the Plan. The Plan allows for the issue of performance rights (being rights to receive fully paid ordinary shares subject to continued employment with the company and the satisfaction of certain performance hurdles over a specified period). Performance rights are granted under the Plan for no consideration. The objective of the Plan is to assist in the recruitment, reward, retention and motivation of employees of the company.

(b) Fair value of performance rights granted
The weighted average assessed fair value at grant date of performance rights granted during the year ended 30 June 2022 was $1.09 per right (2021: $1.41). There were 2,360,027 performance rights granted in the current year (2021: 4,281,654).

The estimated fair value at grant date of rights with a Total Shareholder Return (TSR) performance measure have been valued using a hybrid Monte-Carlo-trinomial option pricing model taking into account the absolute TSR target, the term of the right, the share price at grant date, the risk free rate, the expected dividend yield, expected share price volatility, the volatility of the relevant index, and the correlation between the share price and that index. All other rights incorporate Key Performance Indicator (KPI) measures, and the fair value at grant date of these rights represents a volume weighted average price (VWAP) of shares leading up to the grant date.

Set out below are summaries of performance rights:

2022

Grant Date	Vesting Date	Balance at start of the year	Granted during the year	Converted during the year	Forfeited during the year	Balance at end of the year
		Number	Number	Number	Number	Number
11 Nov 2015	30 Jun 2017[1]	245,625	–	59,875	–	185,750
11 Nov 2015	30 Sep 2018[1]	1,051,794	–	269,390	–	782,404
19 Nov 2015	30 Jun 2017[1]	181,001	–	–	–	181,001
19 Nov 2015	30 Sep 2018[1]	836,260	–	–	–	836,260
13 Oct 2016	30 Jun 2018[1]	277,314	–	65,438	–	211,876
13 Oct 2016	30 Sep 2019[1]	1,323,372	–	375,397	–	947,975
29 Nov 2016	30 Jun 2018[1]	172,842	–	–	–	172,842
29 Nov 2016	30 Sep 2019[1]	846,281	–	–	–	846,281
10 Aug 2017	30 Jun 2019[1]	409,980	–	107,712	–	302,268
10 Aug 2017	30 Sep 2020[1]	1,741,547	–	476,810	–	1,264,737
29 Nov 2017	30 Jun 2019[1]	197,226	–	–	–	197,226
29 Nov 2017	30 Sep 2020[1]	736,665	–	–	–	736,665
16 Aug 2018	30 Jun 2020[1]	170,356	–	53,978	–	116,378
16 Aug 2018	30 Sep 2021[1]	814,000	–	210,623	162,365	441,012
2 Nov 2018	30 Jun 2020[1]	97,600	–	10,400	–	87,200
2 Nov 2018	30 Sep 2021[1]	780,609	–	335,851	49,742	395,016
29 Nov 2018	30 Jun 2020[1]	112,708	–	–	–	112,708
29 Nov 2018	30 Sep 2021[1]	539,921	–	–	189,668	350,253
17 Oct 2019	30 Jun 2021[1]	379,034	–	166,405	–	212,629
17 Oct 2019	30 Sep 2022	1,701,175	–	–	362,000	1,339,175
21 Nov 2019	30 Jun 2021[1]	101,320	–	–	–	101,320
21 Nov 2019	30 Sep 2022	536,797	–	–	–	536,797
30 Oct 2020	30 Jun 2021[1]	561,459	–	196,374	–	365,085
30 Oct 2020	30 Jun 2022[1]	536,878	–	–	147,756	389,122
30 Oct 2020	30 Sep 2023	2,147,512	–	–	435,352	1,712,160
20 Nov 2020	30 Jun 2021[1]	176,755	–	–	–	176,755
20 Nov 2020	30 Jun 2022[1]	159,293	–	–	35,044	124,249
20 Nov 2020	30 Sep 2023	637,173	–	–	–	637,173
25 Oct 2021	30 Jun 2023	–	373,333	–	67,660	305,673
25 Oct 2021	30 Sep 2024	–	1,493,334	–	270,640	1,222,694
30 Nov 2021	30 Jun 2023	–	98,672	–	–	98,672
30 Nov 2021	30 Sep 2024	–	394,688	–	–	394,688
Total		**17,472,497**	**2,360,027**	**2,328,253**	**1,720,227**	**15,784,044**

[1] The balance of rights at end of the year have vested and remain available for employees to exercise into shares.

27. Share-Based Payments (continued)

2021

Grant Date	Vesting Date	Balance at start of the year	Granted during the year	Converted during the year	Forfeited during the year	Balance at end of the year
		Number	Number	Number	Number	Number
11 Nov 2015	30 Jun 2017[1]	251,625	–	6,000	–	245,625
11 Nov 2015	30 Sep 2018[1]	1,115,794	–	64,000	–	1,051,794
19 Nov 2015	30 Jun 2017[1]	181,001	–	–	–	181,001
19 Nov 2015	30 Sep 2018[1]	836,260	–	–	–	836,260
13 Oct 2016	30 Jun 2018[1]	281,314	–	4,000	–	277,314
13 Oct 2016	30 Sep 2019[1]	1,528,234	–	204,862	–	1,323,372
29 Nov 2016	30 Jun 2018[1]	172,842	–	–	–	172,842
29 Nov 2016	30 Sep 2019[1]	846,281	–	–	–	846,281
10 Aug 2017	30 Jun 2019[1]	434,260	–	24,280	–	409,980
10 Aug 2017	30 Sep 2020[1]	2,451,673	–	499,455	210,671	1,741,547
29 Nov 2017	30 Jun 2019[1]	197,226	–	–	–	197,226
29 Nov 2017	30 Sep 2020[1]	895,879	–	–	159,214	736,665
16 Aug 2018	30 Jun 2020[1]	170,356	–	–	–	170,356
16 Aug 2018	30 Sep 2021	814,000	–	–	–	814,000
2 Nov 2018	30 Jun 2020[1]	210,827	–	113,227	–	97,600
2 Nov 2018	30 Sep 2021	833,409	–	–	52,800	780,609
29 Nov 2018	30 Jun 2020[1]	112,708	–	–	–	112,708
29 Nov 2018	30 Sep 2021	539,921	–	–	–	539,921
17 Oct 2019	30 Jun 2021[1]	448,344	–	–	69,310	379,034
17 Oct 2019	30 Sep 2022	1,787,575	–	–	86,400	1,701,175
21 Nov 2019	30 Jun 2021[1]	134,199	–	–	32,879	101,320
21 Nov 2019	30 Sep 2022	536,797	–	–	–	536,797
30 Oct 2020	30 Jun 2021[1]	–	567,083	–	5,624	561,459
30 Oct 2020	30 Jun 2022	–	548,270	–	11,392	536,878
30 Oct 2020	30 Sep 2023	–	2,193,080	–	45,568	2,147,512
20 Nov 2020	30 Jun 2021[1]	–	176,755	–	–	176,755
20 Nov 2020	30 Jun 2022	–	159,293	–	–	159,293
20 Nov 2020	30 Sep 2023	–	637,173	–	–	637,173
Total		**14,780,525**	**4,281,654**	**915,824**	**673,858**	**17,472,497**

[1] The balance of rights at end of the year have vested and remain available for employees to exercise into shares.

Information used in assessing the fair value of performance rights granted during the year ended 30 June 2022 is as follows:

Right grant date	25 October 2021	25 October 2021	25 October 2021
Number of rights granted	373,333	1,401,054	92,280
Vesting date	30 June 2023	30 September 2024	30 September 2024
Performance Measure	KPIs	KPIs	TSR
Expected price volatility of the company's shares	60%	60%	60%
Risk-free interest rate	0.26%	0.65%	0.65%
Expected dividend yield	–	–	–
Share price at grant date	$1.14	$1.14	$1.14
Assessed fair value	$1.14	$1.14	$0.62

Right grant date	30 November 2021	30 November 2021	30 November 2021
Number of rights granted	98,672	276,282	118,406
Vesting date	30 June 2023	30 September 2024	30 September 2024
Performance Measure	KPIs	KPIs	TSR
Expected price volatility of the company's shares	60%	60%	60%
Risk-free interest rate	0.37%	0.83%	0.83%
Expected dividend yield	–	–	–
Share price at grant date	$1.09	$1.09	$1.09
Assessed fair value	$1.09	$1.09	$0.60

Share price volatility and the risk-free interest rate are obtained through an independent valuation.

Information used in assessing the fair value of performance rights granted during the year ended 30 June 2021 is as follows:

Right grant date	30 October 2020	30 October 2020	30 October 2020	30 October 2020
Number of rights granted	567,083	548,270	2,048,142	144,938
Vesting date	30 June 2021	30 June 2022	30 September 2023	30 September 2023
Performance Measure	KPIs	KPIs	KPIs	TSR
Expected price volatility of the company's shares	60%	60%	60%	60%
Risk-free interest rate	0.04%	0.04%	0.10%	0.10%
Expected dividend yield	–	–	–	–
Share price at grant date	$1.47	$1.47	$1.47	$1.47
Assessed fair value	$1.47	$1.47	$1.47	$1.20

Right grant date	20 November 2020	20 November 2020	20 November 2020	20 November 2020
Number of rights granted	176,755	159,293	446,021	191,152
Vesting date	30 June 2021	30 June 2022	30 September 2023	30 September 2023
Performance Measure	KPIs	KPIs	KPIs	TSR
Expected price volatility of the company's shares	60%	60%	60%	60%
Risk-free interest rate	0.04%	0.04%	0.10%	0.10%
Expected dividend yield	–	–	–	–
Share price at grant date	$1.32	$1.32	$1.32	$1.32
Assessed fair value	$1.32	$1.32	$1.32	$0.96

27. Share-Based Payments (continued)

Shares

(a) Employee Share Plan ($1,000 Plan)

All staff are eligible to participate in the Starpharma Employee Share Plan ($1,000 Plan). The objective of the $1,000 Plan is to assist in the reward, retention and motivation of employees of the group. An annual allocation of up to $1,000 of shares may be granted and taxed on a concessional basis. Shares are granted under the $1,000 Plan for no consideration and are escrowed for 3 years whilst participants are employed by the group.

(b) Fair value of shares granted

The weighted average fair value at grant date of shares granted under the $1,000 Plan during the year ended 30 June 2022 was $1.07 per share (2021: $1.53 per share). The fair value at grant date is determined by the share price on the date of grant. These shares were granted for no consideration. There was no allocation of shares under the plan to key management personnel.

Information used in assessing the fair value of shares granted during the year ended 30 June 2022 is as follows:

Share grant date	1 February 2022
Number of shares granted	37,128
Share price at grant date	$1.07
Assessed fair value	$1.07

Information used in assessing the fair value of shares granted during the year ended 30 June 2021 is as follows:

Share grant date	27 January 2021
Number of shares granted	24,814
Share price at grant date	$1.53
Assessed fair value	$1.53

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	30 June 2022 $'000	30 June 2021 $'000
Employee shares issued	39	38
Employee performance rights	2,208	3,737
	2,247	**3,775**

28. Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Parent Entity	
	30 June 2022 $'000	30 June 2021 $'000
Balance Sheet		
Current assets	44,890	56,244
Total assets	44,890	56,244
Current liabilities	779	797
Total liabilities	779	797
Shareholders' equity		
Contributed equity	240,669	240,630
Reserves	25,776	23,568
Accumulated losses	(222,334)	(208,751)
Loss for the year	(13,583)	(20,481)
Total comprehensive income	(13,583)	(20,481)

(b) Contingencies of the parent entity

The parent entity has no contingent assets or liabilities at 30 June 2022 (2021: nil).

Directors' Declaration for the year ended 30 June 2022

In the directors' opinion:

(a) the financial statements and notes set out on pages 52 to 79 are in accordance with the *Corporations Act 2001*, including:

(i) complying with *Accounting Standards*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Robert B Thomas *AO*
Chairman
Melbourne, 25 August 2022

Independent auditor's report

To the members of Starpharma Holdings Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Starpharma Holdings Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended

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

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2022
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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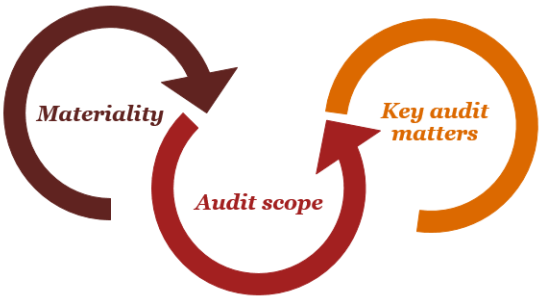
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope
• For the purpose of our audit we used overall Group materiality of $0.808 million, which represents approximately 5% of the Group's loss before income tax. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group loss before income tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • All audit procedures are performed by PwC Australia, consistent with the location of Group management and financial records. • We tailored the scope of our audit taking into account the accounting processes and controls, and the industry in which the Group operates.

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Research and Development Tax Incentive *(Refer to note 3 critical accounting estimates and judgements, note 6 expenses and note 9 current assets - trade and other receivables)* The Group's research and development (R&D) activities are eligible for a refundable tax offset under an Australian Government Tax Incentive. The Group has assessed these activities and related expenditure to determine their eligibility under the incentive scheme. The R&D Tax Incentive receivable recorded as at 30 June 2022 was $6.75 million and $7.26 million was recognised as contra R&D expense in the income statement for the period ended 30 June 2022. This is a key audit matter due to: • the significance of the amount receivable as at 30 June 2022; and • the degree of judgement and interpretation of the R&D tax legislation required by the Group to assess the eligibility of the R&D expenditure under the scheme.	We have performed the following procedures to assess the Group's estimate of the R&D Tax Incentive receivable as at 30 June 2022: • compared the estimate recorded in the financial statements as at 30 June 2021 to the amount of cash received after lodgement of the R&D Tax Incentive claim to assess historical accuracy of the estimate. • compared the nature of the underlying R&D expenditure included in the current year estimate to the prior year estimate. • assessed the nature of a sample of expenses against the eligibility criteria of the R&D Tax Incentive programme. • agreed a sample of eligible expenditure in the estimate to the general ledger or other underlying accounting records. • obtained copies of correspondence with the company's external tax advisor and agreed the advice to the R&D Tax Incentive calculation for the current financial year. • evaluated the reasonableness of the disclosure against the requirements of Australian Accounting Standards.
Revenue recognition under AASB 15 Revenue from Contracts with Customers *(Refer to note 1 Significant Accounting Policies and note 5 Revenue and Other Income)* The Group recognises licensing, product sales, royalty, and research revenues from arrangements with commercial partners. The Group has recognised $4.68 million of revenue from contracts with customers for the period ended 30 June 2022. This is a key audit matter due to the nature of the Group's contractual arrangements and complexity of applying the accounting standard to those contractual arrangements	We have performed the following procedures to assess the Group's revenue recognition for the period ended 30 June 2022: • obtained an understanding of the Group's contractual arrangements with commercial partners, focusing on the identification of performance obligations, license arrangements and the associated recognition of fixed and variable consideration, royalty income, product sales and product sales returns. • tested a sample of transactions to the underlying supporting documentation. • evaluated the reasonableness of the disclosure against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 21 to 42 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Starpharma Holdings Limited for the year ended 30 June 2022 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.

PricewaterhouseCoopers

Brad Peake
Partner

Melbourne
25 August 2022

Shareholder Information

The shareholder information set out below was applicable as at 12 August 2022.

Supplementary information as required by ASX listing requirements.

A. Distribution of Equity Shareholders

Analysis of numbers of equity security holders by size of holding

	Class of equity security	
	Shares	Performance rights
1 –1,000	2,486	1
1,001–5,000	2,976	–
5,001–10,000	1,219	–
10,001–100,000	1,756	25
100,001 and over	268	21
Total	**8,705**	**47**

There were 1,461 holders of less than a marketable parcel of ordinary shares.

B. Equity Security Holders

The names of the twenty largest holders of quoted equity securities are listed below:

		Ordinary shares	
	Name	Number held	Percentage of issued shares
1.	HSBC Custody Nominees (Australia) Limited	125,696,605	30.77
2.	JP Morgan Nominees Australia Pty Limited	50,649,246	12.40
3.	Citicorp Nominees Pty Limited	25,124,364	6.15
4.	BNP Paribas Noms Pty Ltd <DRP>	15,570,999	3.81
5.	Mirrabooka Investments Limited	7,005,830	1.72
6.	National Nominees Limited	6,566,038	1.61
7.	T & N Argyrides Investments P/L <T & N Argyrides Pension A/C>	4,830,000	1.18
8.	BNP Paribas Nominees Pty Ltd ACF Clearstream	4,444,357	1.09
9.	Applecross Secretarial Services Pty Ltd <L Gorr Family A/C>	3,361,550	0.82
10.	Ms Jacinth Fairley	3,252,386	0.80
11.	Mr Kingsley Bryan Bartholomew	3,124,025	0.76
12.	BNP Paribas Nominees Pty Ltd <IN AU Noms Retail Client>	2,718,965	0.67
13.	HSBC Custody Nominees (Australia) Limited - A/C 2	2,653,586	0.65
14.	Mr Peter Murray Jackson	2,440,000	0.60
15.	Mr Thomas Harrington Mann	2,200,000	0.54
16.	Dollar Coin Investments Pty Ltd <Cousins Discretionary A/C>	2,007,501	0.49
17.	Peppertree Custodian Services Pty Ltd <Mulcahy Superannuation>	1,644,450	0.40
18.	Commonwealth Scientific and Industrial Research Organisation	1,448,798	0.35
19.	Mr David Michael Hosey + Mrs Andrea Jane Hosey	1,441,528	0.35
20.	Merrill Lynch (Australia) Nominees Pty Limited	1,378,091	0.34
		267,558,319	**65.51**

Shareholder Information

	Unquoted equity securities over ordinary shares	
Name	**Number on issue**	**Number of holders**
Employee Performance Rights	15,784,044	47

C. Substantial Holders

Substantial shareholders with a shareholding greater than 5% as shown in substantial shareholder notices received by the company as at 12 August 2022:

	Ordinary shares	
Name	**Number held**	**Percentage of issue shares**
Allan Gray Australia Pty Ltd	50,210,598	12.32
Allianz SE	41,249,500	10.10
M&G Plc	31,889,780	7.85
FIL Limited	29,778,237	7.31
UIL Limited	19,046,000	5.12

D. Voting Rights

The voting rights attached to each class of equity securities are set out below:

(a) Ordinary shares	On a show of hands every member present at a meeting in person or by proxy shall have one vote and on a poll each share shall have one vote.
(b) Performance Rights	No voting rights.

Intellectual Property Report

The Starpharma patent portfolio currently has around 20 active patent families with over 200 granted patents and more than 70 patent applications pending.

Key patents within the Starpharma portfolio as at 31 July 2022:

Title	Priority Date & Publication Number	Patents Granted	Applications Pending
VivaGel® Patent Portfolio			
Agents for the Prevention & Treatment of Sexually Transmitted Diseases	30 March 2001 WO02/079299	USA	
Microbicidal Dendrimer Composition Delivery System (Condom related)	18 October 2005 WO2007/045009	Australia, Canada, Europe, Hong Kong, India, Japan, Malaysia, Mexico, New Zealand, Russian Federation, South Korea, Taiwan, USA	
Method of Treatment or Prophylaxis of Bacterial Vaginosis	16 May 2011 WO2012/000891	Australia, Brazil, Canada, China, Europe, Hong Kong, Israel, Japan, Mexico, Russia, South Korea, USA	India
Method of Treatment or Prophylaxis of Infection of the Eye	13 September 2012 WO2014/043576	Canada, China, Europe, Hong Kong, India, Japan, USA	
Drug Delivery Patent Portfolio (includes DEP® Patents)			
Macromolecules Compounds having Controlled Stoichiometry	25 October 2005 WO2007/048190	Australia, Canada, Europe, USA	
Modified Macromolecules	20 January 2006 WO2007/082331	Australia, Canada, China, Hong Kong, India, Japan, USA	Europe
Targeted Polylysine Dendrimer Therapeutic Agent	11 August 2006 WO2008/017125	China, Europe, India, USA	
Macromolecules (Drug linkers)	6 June 2011 WO2012/167309	Australia, Brazil Canada, China, Europe, Hong Kong, Japan, South Korea, USA	China, India, USA
Dendrimer Drug Conjugates (DEP-Insulin/GLP1)	6 June 2014 WO 2015/184510	Europe, USA	India
Therapeutic Dendrimer (DEP-Cabazitaxel)	19 July 2018 WO2020/014750	USA	Australia, Brazil, Canada, China, Europe, India, Indonesia, Japan, Malaysia, Mexico, Saudi Arabia, Singapore, South Africa, South Korea
Dendrimer for Therapy and Imaging (DEP-radiotheranostic)	29 November 2018 WO2020/107078		Australia, Brazil, Canada, China, Europe, India, Indonesia, Israel, Japan, Malaysia, Mexico, Saudi Arabia, Singapore, South Africa, South Korea, USA
Therapeutic Dendrimer (DEP-Irinotecan)	20 November 2018 WO2020/102852		Australia, Brazil, Canada, Chile, China, Europe, India, Indonesia, Israel, Japan, Malaysia, Mexico, Saudi Arabia, Singapore, South Africa, South Korea, UAE, USA
Therapeutic Dendrimer (DEP-GEM)	26 September 2019 WO2021/056077		Australia, Canada, China, Europe, India, Indonesia, Japan, Korea, Saudi Arabia, Singapore, South Africa, UAE, USA
Targeted Dendrimer Conjugates (DEP-targeted)	28 August 2019 WO2021/035310		Australia, Brazil Canada, China, Europe, India, Japan, Malaysia, Korea, Singapore, USA
Method of Prophylaxis of Coronavirus Infection	15 April 2020 WO/2021/207790		International Patent Cooperation Treaty (PCT) application
Dendrimer-drug conjugates (Remdesivir)	31 August 2020 WO2022/040761		International Patent Cooperation Treaty (PCT) application

Starpharma actively protects its trademark rights with filings and registrations in key markets. The primary marks protected are STARPHARMA, VIVAGEL, DEP and VIRALEZE.

Corporate Directory

Company name

Starpharma Holdings Limited
ABN 20 078 532 180

Directors

R B Thomas AO – *Chairman*
J K Fairley – *Chief Executive Officer and Managing Director*
Z Peach
D J McIntyre
L Cheng
J R Davies

Company Secretary

Nigel Baade

Registered office

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Abbotsford, Victoria 3067 Australia

Telephone +61 3 8532 2700

Postal address

PO Box 2022
Preston VIC 3072 Australia

Share register

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452 Johnston Street, Abbotsford VIC 3067

GPO Box 2975
Melbourne, VIC 3001

1300 850 505 (within Australia)
+613 9415 4000 (outside Australia)
www.computershare.com

Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006 Australia

Solicitors

DLA Piper
80 Collins Street
Melbourne VIC 3000 Australia

Stock exchange listing

ASX Limited
Level 4, North Tower, Rialto, 525 Collins Street,
Melbourne VIC 3000 Australia

ASX Code: SPL

Starpharma's American Depositary Receipts (ADRs) trade under the code SPHRY (CUSIP number 855563102). Each Starpharma ADR is equivalent to ten ordinary shares of Starpharma as traded on the ASX. The Bank of New York Mellon is the depositary bank.

Starpharma's ADRs are listed on OTCQX International (www.otcmarkets.com), a premium market tier in the U.S. for international exchange-listed companies, operated by OTC Markets Group.

Website address

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