

Appendix 4D
Half-Year Report for the period ended 31 December 2022

Company Details

Name of entity: PharmAust Limited
 ABN: 35 094 006 023
 Reporting period: For the half-year ended 31 December 2022
 Previous period: For the half-year ended 31 December 2021

Results for announcement to the Market

Financial Performance

| PharmAust Limited – Consolidated | | | |
|---|--|--|-------------------|
| (AUD 000') | Half-year ended 31 Dec 2022 | Half-year ended 31 Dec 2021 | Movement % |
| Revenue | 2,911 | 1,680 | 73% |
| (Loss) before tax attributable to members | (21) | (1,227) | -98% |
| (Loss) after tax attributable to members | (21) | (1,227) | -98% |

Review of Operations

Refer to Directors' Report included in the attached half-year financial report.

Dividends

No Dividends were paid or declared for payment during the half-year period.

Net Tangible Asset Backing

| | Half-year ended 31 Dec 2022 | Half-year ended 31 Dec 2021 |
|----------------------------|------------------------------------|------------------------------------|
| Net tangible asset backing | 1.46 cents | 1.67 cents |

Entities Acquired and Disposed During the Period

There were no entities acquired or disposed of during the half-year period.

Auditor's Review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

The Interim Report of PharmAust Limited for the half year ended 31 December 2022 is attached.

Signed in accordance with a resolution of Directors. On behalf of the Directors:



Sam Wright
 Director

Signed at Perth this 27th day of February 2023

**PHARMAUST LIMITED
ABN 35 094 006 023
AND ITS CONTROLLED ENTITIES**

**Interim Financial Report
for the half-year ended 31 December 2022**

C O N T E N T S

| | |
|--|----|
| Directors' Report | 2 |
| Statement of Profit or Loss and Other Comprehensive Income | 7 |
| Statement of Financial Position | 8 |
| Statement of Changes in Equity | 9 |
| Statement of Cash Flows | 10 |
| Notes to the Financial Statements | 11 |
| Directors' Declaration | 15 |
| Independent Auditor's Review Report | 16 |
| Auditor's Independence Declaration | 18 |

PHARMAUST LIMITED DIRECTORS' REPORT

The directors of PharmAust Limited submit the financial report of the consolidated entity for the half-year ended 31 December 2022.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Dr Roger Aston
Mr Neville Bassett AM
Mr Robert Bishop
Mr Sam Wright

RESULTS

The operating loss for the consolidated entity for the half-year ended 31 December 2022 was \$21,184 (2021: loss of \$1,227,476).

PRINCIPAL ACTIVITIES

The principal continuing activities constituted by PharmAust Limited and the entities it controlled during the year were to develop its own drug discovery intellectual property for the treatment of different types of cancers, viral and neurological diseases, as well as providing highly specialised medicinal and synthetic chemistry services on a contract basis to clients.

REVIEW OF OPERATIONS

During the half-year, PharmAust successfully achieved several major milestones that have opened the path to clinical trials in 2023. PharmAust also further continued to build the contract sales and income activities of its wholly owned subsidiary, Epicchem Pty Ltd.

Research and Development

Phase II Canine Trials

PharmAust has made progress in the clinical trials of its primary drug candidate, Monepantel (MPL).

Veterinary trial centres have been set up in Australia, New Zealand and the United States to evaluate the anti-cancer benefit of MPL in dogs diagnosed with B-cell lymphoma and which have not received any treatment for the lymphoma.

PharmAust is recruiting pet dogs with untreated B cell lymphoma to finalise the Phase 2 evaluation of the drug MPL, which has demonstrated statistically effective anti-cancer activity in the Phase 2 trial.

Thirty-five dogs have been treated using MPL monotherapy (excluding the 5 dogs removed from the study). With continued positive outcomes, PharmAust is preparing for a Phase 2 completion and the commencement of a subsequent Phase 3 registration trial.

Two dogs have had a partial response as assessed by the administering veterinarians. **Partial response is a decrease in tumour size (sum of longest diameter as defined by RECIST criteria) of >30%, no new lesions**

Side effects were minimal or not detected. In comparison, the most common side effects of a dog being treated with chemotherapy include gastrointestinal effects (vomiting, diarrhea or loss of appetite) and decreases in blood cell counts. Also, during chemotherapy, owners need to take precautions when handling their pets and their waste. Drugs may be excreted in the urine and faeces, so it is not advisable for children to play with their pets for the duration of therapy.

PharmAust requires greater than or equal to 18 dogs with an overall clinical benefit out of 46 dogs to meet its statistical endpoint.

PharmAust is pleased to provide a video recording of the fireside chat with Anusha Aubert and Dr Kim Agnew providing a further update on the canine trials - <https://www.pharmaust.com/fireside-chat-with-dr-kim/>

PHARMAUST LIMITED
DIRECTORS' REPORT (continued)

Phase I/II Human Trial in Motor Neurone Disease

PharmAust previously announced it has received a funding commitment of A\$881,085 for a Phase I/II trial examining the effects of Monepantel (MPL) in Motor Neurone Disease (MND), otherwise known as Lou Gehrig's disease or Amyotrophic Lateral Sclerosis (ALS).

These funds have been granted by FightMND, the largest independent funder of MND research in Australia. The trial is being overseen by Principal Investigator, Dr Susan Mathers of Calvary Health Care, Bethlehem, Melbourne and includes a second trial site headed by Professor Dominic Rowe of the Centre for Motor Neurone Disease Research Faculty of Medicine and Health Research at Macquarie University in Sydney.

The trial has successfully completed treatment the first cohort of six patients. Importantly, all of the patients in treatment level 1 have elected to continue on MPL treatment.

The MPL tablets have been well tolerated by patients in the first cohort of the trial and the Safety Monitoring Committee will review data from each Dosage Level for continued safety and pharmacokinetic data up to cycle.

Patient recruitment at the next dosing level of MPL has commenced and progressive cohorts will receive escalating oral treatment doses of MPL tablets.

The ALS/MND addressable market is US\$3.6Bn with Riluzole already reaching ~US\$1Bn in annual sales. According to the International Alliance of ALS/MND Associations, MND affects over 350,000 of the world's population and kills more than 100,000 people every year.

Pre-clinical studies in MND models support the evaluation of MPL in slowing disease progression by clearing harmful materials in a motor neurone that adhere and impair functioning.

With success in the clinic, PharmAust expects that in due course MPL could receive orphan drug designation by the FDA for the indication of motor neurone disease. Such designations come with a number of financial and supportive benefits. The Orphan Drug Act provides for granting special status to a drug or biological product to treat a rare disease or condition upon request of a sponsor.

Phase II Human Cancer Trial

Further to the responses and outcomes in canines, PharmAust continues to take key steps towards progressing the evaluation of MPL in human trials. Clinical interest has focused on leukaemia, glioblastoma, oesophageal, gastrointestinal, ovarian and pancreatic cancers.

PharmAust has identified a Principal Investigator in the United States to evaluate the new MPL tablet in human Phase 2 cancer trials, as a follow on from the Phase I clinical trial undertaken at the Royal Adelaide Hospital in 2015 and pharmacokinetic data for tablets in humans currently being produced in the MND trial.

COVID-19 Testing

PharmAust previously demonstrated MPL's antiviral activity in two independent laboratories in Australia and another in Europe.

PharmAust has identified Ergomed Clinical Research, a subsidiary of the London Stock Exchange listed Ergomed plc (LON: ERGO) to be the contract research organisation (CRO) for the COVID-19 clinical trials.

PharmAust is relying on the MND trial to provide the important Phase 1 pharmacokinetic (PK) data for future human trials in MND, cancer and COVID-19.

This will allow PharmAust to undertake a Phase 2 trial in COVID-19, rather than a Phase 1 study, which will facilitate faster recruitment as the company has been advised by the CRO that COVID-19 infected patients generally prefer participating in a Phase 2 study.

PHARMAUST LIMITED
DIRECTORS' REPORT (continued)

EPICHEM PTY LTD - 100% OWNED SUBSIDIARY

Epichem Pty Ltd finished the half-year strongly with the start of the new General Manager Fi (Fiona) Milner (29 June 2022), and more recently Anusha Aubert (details below) as the new Business Development Manager.

All of the service departments in Epichem have been highly focused on revenue raising projects and contracts and are delivering well on all of these within timelines set, and with very positive customer feedback. Discovery Services in qtr 4, 2022 particular delivered in excess of 121% change of performance vs qtr 4 2021 which is the result of the full department committed to 4 major client projects in Medicinal chemistry.

Equally Analytical services has been performing strongly including the engagement of Chevron for a significant project completed and delivering excellent preliminary feedback on results.

Work with OHD (Oxidative Hydrothermal Dissolution) technology continues with engagement with clients across various industries. Completion of the Shell/NERA project with OHD has left the report with Shell for consideration of next steps. Once Epichem is in a position to share more, an announcement will follow.

Similarly, early stage collaborations between academia and Epichem around OHD are creating opportunities for grant support for not only further development in evaluating its potential with various feedstocks, also the which in turn enhances the possibility of an increase in its applications.

Operational reviews have taken place in this Qtr as well, which includes assessment of fee structures, operational costs etc to be more commensurate with supplier and stakeholder pricing changes etc and ensure continued viability for the business.

Appointment of Anusha Aubert

In October 2022, the Company appointed Anusha Aubert, an experienced pharmaceutical sales and marketing professional, as Epichem BDM & PharmAust investor relations.

Ms Aubert will develop and action a tailored and dynamic Business Development/Sales/Marketing strategy and plan to achieve Business Development, revenue and profit growth in line with both the Epichem Pty Ltd and the PharmAust Ltd strategic objectives. She will also be responsible for investor relations, digital communications, social media marketing, producing and distributing investor focused videos and preparing online targeted investor advertising as well as other initiatives as they emerge.

In the last five years, Anusha has held sales and marketing roles in global pharmaceutical companies, Novartis and Mundipharma. Anusha is a qualified Analytical Chemist, having worked in both WA and SA in predominantly oil and gas executing both analytical and business development roles.

ANNUAL GENERAL MEETING

On 10 November 2022, PharmAust held its Annual General Meeting of Shareholders at the offices of RSM Australia, Level 32, 2 The Esplanade, Perth, WA 6000.

All resolutions that were put were passed by a poll.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

SUBSEQUENT EVENTS

On 6 January 2023, PharmAust announced that it successfully completed its first cohort of six patients in its Phase 1/2 clinical trial of its lead drug candidate monepantel (MPL) in Motor Neurone Disease/Amyotrophic Lateral Sclerosis (MND/ALS). MPL was well tolerated by all MND patients at the first dosing level. Importantly, all of the six patients in this first cohort have elected to continue on MPL treatment.

Other than the above, there have been no significant events subsequent to the end of the reporting date.

PHARMAUST LIMITED
DIRECTORS' REPORT (continued)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Sam Wright
Director

Signed at Perth this 27th day of February 2023

General information

The financial statements cover PharmAust Limited as a consolidated entity consisting of PharmAust Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is PharmAust Limited's functional and presentation currency.

PharmAust Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 116/1 Kyle Way
Claremont WA 6010

Principal place of business

Suite 116/1 Kyle Way
Claremont WA 6010

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2023.

PHARMAUST LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2022

| | | Consolidated | |
|--|------|---------------------------|---------------------------|
| | Note | 31 December 2022 \$ | 31 December 2021 \$ |
| Revenue | 3 | 1,915,093 | 1,680,173 |
| Other income | 3 | 995,424 | 40,252 |
| Total revenue | | <u>2,910,517</u> | <u>1,720,425</u> |
| Raw material and consumables used | | (169,071) | (151,804) |
| Research and development expenses | | (429,581) | (245,087) |
| Share-based payment reversal / (expense) | | 92,506 | (32,308) |
| Administration expenses | | (845,705) | (751,863) |
| Employee benefits expense | | (1,374,344) | (1,555,333) |
| Borrowing costs | | (42,014) | (45,540) |
| Depreciation | | (163,492) | (165,966) |
| Loss before income tax | | <u>(21,184)</u> | <u>(1,227,476)</u> |
| Income tax expense | | <u>-</u> | <u>-</u> |
| Loss for the period | | <u>(21,184)</u> | <u>(1,227,476)</u> |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive loss for the period | | <u>(21,184)</u> | <u>(1,227,476)</u> |
| Basic and diluted loss per share (cents per share) | | (0.01) | (0.39) |

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

| | | Consolidated | |
|--|-------------|------------------------------------|--------------------------------|
| | Note | 31 December 2022 \$ | 30 June 2022 \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 2,061,589 | 2,415,616 |
| Trade and other receivables | | 551,463 | 185,322 |
| Other current assets | | 145,749 | 86,884 |
| Inventories | | 1,093,964 | 1,042,991 |
| TOTAL CURRENT ASSETS | | <u>3,852,765</u> | <u>3,730,813</u> |
| NON CURRENT ASSETS | | | |
| Intangible assets | | 3,109,735 | 3,109,567 |
| Plant and equipment | | 2,072,311 | 2,162,100 |
| Right of use assets | | 997,920 | 1,075,800 |
| TOTAL NON CURRENT ASSETS | | <u>6,179,966</u> | <u>6,347,467</u> |
| TOTAL ASSETS | | <u>10,032,731</u> | <u>10,078,280</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,029,516 | 603,637 |
| Borrowings | | - | 210,116 |
| Provisions | | 164,246 | 214,117 |
| Lease liabilities | | 142,868 | 137,952 |
| TOTAL CURRENT LIABILITIES | | <u>1,336,630</u> | <u>1,165,822</u> |
| NON CURRENT LIABILITIES | | | |
| Provisions | | - | 31,023 |
| Lease liabilities | | 965,357 | 1,037,001 |
| TOTAL NON CURRENT LIABILITIES | | <u>965,357</u> | <u>1,068,024</u> |
| TOTAL LIABILITIES | | <u>2,301,987</u> | <u>2,233,846</u> |
| NET ASSETS | | <u>7,730,744</u> | <u>7,844,434</u> |
| EQUITY | | | |
| Issued capital | 5 | 55,343,941 | 55,343,941 |
| Options and performance rights reserve | 4 | 2,655,314 | 2,747,820 |
| Accumulated losses | | <u>(50,268,511)</u> | <u>(50,247,327)</u> |
| TOTAL EQUITY | | <u>7,730,744</u> | <u>7,844,434</u> |

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2022

| | Note | Issued Capital | Accumulated Losses | Options and Performance rights reserve | Total |
|--|------|-------------------|---------------------|--|--------------------|
| | | \$ | \$ | \$ | \$ |
| As at 1 July 2021 | | 55,326,441 | (48,539,118) | 2,093,161 | 8,880,484 |
| Loss for the period | | - | (1,227,476) | - | (1,227,476) |
| Total comprehensive loss for the period | | - | (1,227,476) | - | (1,227,476) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Shares issued | | 17,500 | - | - | 17,500 |
| Share-based payments | | - | - | 14,808 | 14,808 |
| Options issued (net of cost) | | - | - | 733,800 | 733,800 |
| As at 31 December 2021 | | 55,343,941 | (49,766,594) | 2,841,769 | 8,419,116 |

| | Note | Issued Capital | Accumulated Losses | Options and Performance rights reserve | Total |
|--|------|-------------------|---------------------|--|------------------|
| | | \$ | \$ | \$ | \$ |
| As at 1 July 2022 | | 55,343,941 | (50,247,327) | 2,747,820 | 7,844,434 |
| Loss for the period | | - | (21,184) | - | (21,184) |
| Total comprehensive loss for the period | | - | (21,184) | - | (21,184) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Share-based payments | 4 | - | - | (92,506) | (92,506) |
| As at 31 December 2022 | | 55,343,941 | (50,268,511) | 2,655,314 | 7,730,744 |

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2022

| | Consolidated | |
|---|-------------------------|-------------------------|
| | 31 December | 31 December |
| | 2022 | 2021 |
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 1,548,951 | 1,651,314 |
| Payments to suppliers and employees | (2,578,744) | (2,580,975) |
| Interest received | 2,240 | 495 |
| Other income | 993,185 | 39,757 |
| Interest paid | (42,014) | (45,540) |
| Net cash used in operating activities | <u>(76,382)</u> | <u>(934,949)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for plant and equipment | (260) | (120,233) |
| Payments for intangible assets | (168) | - |
| Net cash used in investing activities | <u>(428)</u> | <u>(120,233)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net repayment of borrowings | (210,116) | (12,862) |
| Repayment of lease liabilities | (67,101) | (53,130) |
| Share issue costs | - | (58,486) |
| Options issue proceeds | - | 792,287 |
| Net cash (used in) / provided by financing activities | <u>(277,217)</u> | <u>667,809</u> |
| Net movement in cash held | (354,027) | (387,373) |
| Cash at beginning of the financial period | <u>2,415,616</u> | <u>3,020,268</u> |
| Cash at end of the financial period | <u><u>2,061,589</u></u> | <u><u>2,632,895</u></u> |

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2022

1. BASIS OF PREPARATION

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SEGMENT INFORMATION

The consolidated entity has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors has considered the business from both a geographic and business segment perspective and the following are the reportable segments under AASB 8.

| | Corporate | Pharmaceutical | Total |
|--------------------------------------|------------------|-----------------------|--------------|
| | \$ | \$ | \$ |
| 31 December 2022 | | | |
| Revenue | | | |
| External sales | - | 1,954,573 | 1,954,573 |
| Other external revenue | 965,599 | 34,599 | 1,000,198 |
| Total revenue | | | 2,954,771 |
| Inter-segment elimination | | | (44,254) |
| Total revenue | | | 2,910,517 |
| Results | | | |
| Segment net profit (loss) before tax | (112,747) | 91,563 | (21,184) |
| Interest income | 1,342 | 898 | 2,240 |
| Interest expense | - | (42,014) | (42,014) |
| Depreciation and amortisation | - | (163,492) | (163,492) |
| Segment assets | | | |
| Segment operating assets | 2,007,453 | 8,025,278 | 10,032,731 |
| Segment liabilities | | | |
| Segment operating liabilities | (499,007) | (1,802,980) | (2,301,987) |

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2022

2. SEGMENT INFORMATION (continued)

| | Corporate | Pharmaceutical | Total |
|-------------------------------|-------------|----------------|-------------|
| | \$ | \$ | \$ |
| 31 December 2021 | | | |
| Revenue | | | |
| External sales | - | 1,687,673 | 1,687,673 |
| Other external revenue | 134 | 40,117 | 40,252 |
| Total revenue | 134 | 1,727,790 | 1,727,925 |
| Inter-segment elimination | | | (7,500) |
| Total revenue | | | 1,720,425 |
| Results | | | |
| Segment net loss before tax | (1,134,908) | (92,568) | (1,227,476) |
| Interest income | 462 | 33 | 495 |
| Interest expense | - | (45,540) | (45,540) |
| Depreciation and amortisation | - | (165,966) | (165,966) |

CONSOLIDATED
31 DECEMBER 2022 **31 DECEMBER 2021**
\$ **\$**

3. REVENUES

Revenue from contracts with customers

| | | |
|-----------------------|-----------|-----------|
| Sale of goods | 150,809 | 212,988 |
| Rendering of services | 1,764,284 | 1,467,186 |
| | 1,915,093 | 1,680,173 |

Other revenue

| | | |
|-----------------------|---------|--------|
| Interest income | 2,240 | 495 |
| R&D tax incentive | 654,109 | - |
| Grant income received | 311,170 | - |
| Other revenue | 27,905 | 39,757 |
| | 995,424 | 40,252 |

Timing of revenue recognition

| | | |
|------------------------------------|-----------|-----------|
| Goods delivered at a point in time | 150,809 | 212,988 |
| Services delivered over time | 1,764,284 | 1,467,186 |
| | 1,915,093 | 1,680,173 |

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2022

| | | CONSOLIDATED | |
|----|--|---------------------|------------------|
| | | 31 DECEMBER | 30 JUNE |
| | | 2022 | 2022 |
| | | \$ | \$ |
| 4. | OPTIONS AND PERFORMANCE RIGHTS RESERVE | | |
| | Options reserve | 2,655,314 | 2,655,314 |
| | Performance rights reserve | - | 92,506 |
| | | <u>2,655,314</u> | <u>2,747,820</u> |

| | Balance at 1 July 2022 | Granted | Exercised | Expired/ Other | Balance at 31 December 2022 |
|---------|-----------------------------------|----------------|------------------|---------------------------|--|
| Options | 79,228,636 | - | - | - | 79,228,636 |

The weighted average remaining contractual life of options outstanding at period-end was 0.83 years (2022: 1.34 years).

| | Balance at 1 July 2022 | Granted | Exercised | Lapsed/ Other | Balance at 31 December 2022 |
|--------------------|-----------------------------------|----------------|------------------|----------------------|--|
| Performance rights | 2,000,000 | - | - | (2,000,000) | - |

| | | CONSOLIDATED | | | |
|----|------------------------------|---------------------|--------------------|--------------------|-------------------|
| | | 31 DECEMBER | 30 JUNE | 31 DECEMBER | 30 JUNE |
| | | 2022 | 2022 | 2022 | 2022 |
| | | SHARES | SHARES | \$ | \$ |
| 5. | ISSUED CAPITAL | | | | |
| | Ordinary shares – fully paid | <u>316,912,383</u> | <u>316,912,383</u> | <u>55,343,941</u> | <u>55,343,941</u> |

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2022

6. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the half-year.

7. CONTINGENT LIABILITIES AND ASSETS

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

8. SUBSEQUENT EVENTS

On 6 January 2023, PharmAust announced that it successfully completed its first cohort of six patients in its Phase 1/2 clinical trial of its lead drug candidate monepantel (MPL) in Motor Neurone Disease/Amyotrophic Lateral Sclerosis (MND/ALS). MPL was well tolerated by all MND patients at the first dosing level. Importantly, all of the six patients in this first cohort have elected to continue on MPL treatment.

Other than the above, there have been no significant events subsequent to the end of the reporting date.

**PHARMAUST LIMITED
DIRECTORS' DECLARATION**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Sam Wright
Director

Signed at Perth this 27th day of February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PHARMAUST LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of PharmAust Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PharmAust Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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Directors' Responsibility for the Half-Year Financial Report

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

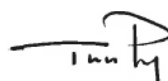
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A stylized, handwritten-style signature of the letters 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 27 February 2023



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of PharmAust Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 27 February 2023

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