



**ARGENT BIOPHARMA LTD**  
**ABN 30 116 800 269**

**ANNUAL REPORT**  
**30 June 2024**

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## Corporate Directory

### Directors

**Roby Zomer**

Managing Director and CEO

**Layton Mills**

Non-Executive Director

**Daniel Robinson**

Non-Executive Director

### Company Secretary

Rowan Harland

### Registered Office and Principal Place of Business

Suite 1, 295 Rokeby Road

Subiaco WA 6008

Tel: +61 8 6555 2950

### Solicitors

Steinepreis Paganin

Level 4, The Read Buildings

16 Milligan Street

Perth WA 6000

### Auditors

Hall Chadwick

Level 40, 2 Park Street

Sydney NSW 2000

### Securities Exchange Listing

Argent BioPharma Ltd securities are listed on the Australian Securities Exchange (ASX), London Stock Exchange (LSE) and the OTC Markets, QB Tier.

ASX Code: RGT

LSE Code: RGT

OTCQB Code: RGTLF

### Share Registry

Computershare Investor Services Pty Limited

Level 17

221 St Georges Terrace

Perth WA 6000

### Website

[www.argentbiopharma.com](http://www.argentbiopharma.com)

## Directors' Report

The Directors present their report on Argent BioPharma Ltd ("the Company" or "the Parent") and its controlled entities (collectively, "RGT", "the Group" or "Argent BioPharma") for the financial year ended 30 June 2024.

### Directors

The names of Directors in office at any time during or since the end of the year are:

| Director                    | Title                   | Appointment Date |
|-----------------------------|-------------------------|------------------|
| Stephen Parker <sup>1</sup> | Non-Executive Chairman  | 13 March 2019    |
| Roby Zomer                  | Managing Director & CEO | 15 February 2016 |
| Ross Walker <sup>2</sup>    | Non-Executive Director  | 15 February 2016 |
| Layton Mills                | Non-Executive Director  | 1 June 2023      |
| Daniel Robinson             | Non- Executive Director | 1 December 2023  |

1. Mr Parker ceased being a director on 30 November 2023

2. Mr Walker ceased being a director on 30 November 2023

### Principal Activities

Argent BioPharma Limited (the Company) (LSE: RGT; ASX: RGT, OTCQB: RGTLF) is an innovative multidisciplinary drug development Company within the biopharmaceutical sector. The Company focuses on multidisciplinary methods with Nanotechnology, developing multi-target therapies for comprehensive disease management, especially concerning the Central nervous system ("CNS") and Immunology treatments.

### Operating Results

The consolidated loss of the Group amounted to \$17,548,433 (2023: \$21,133,535).

### Dividends Paid or Recommended

No dividends have been paid or declared for payment during, or since, the end of the financial year.

## Directors' Report

### Review of Operations

#### Highlights - Letter from the CEO<sup>1</sup>

I am pleased to share an update on Argent BioPharma's recent progress and future direction. Our unwavering mission is to transform patient outcomes through pioneering therapies for conditions where treatment options are limited or non-existent. We are committed to advancing healthcare by focusing on two pivotal areas: the central nervous system (CNS) and the immune system, both critical fields for medical innovation.

Over the past few months, we have achieved significant milestones. Our recent restructuring has enabled us to sharpen our strategic focus on key markets in the UK, Europe, and the US. A successful capital raise at AU\$1.2 per share (US\$0.8) and the appointment of leading brokers in the UK have positioned us for growth. We are preparing to delist from the Australian Stock Exchange, a decision that will streamline our operations and allow us to concentrate on the London Stock Exchange and the OTCQB markets. In the future, we may explore dual listing opportunities in the US, such as the NASDAQ or NYSE, to further enhance our visibility and access to capital.

Our in-house research and manufacturing facilities in Malta and Slovenia develop drugs from concept to production, meeting high EU-GMP standards. This allows us to support clinical trials, early sales, and commercial production. Our R&D center in Slovenia operates continuously to expand our drug pipeline, while the Malta facility, supported by government grants, has potential for contract manufacturing and revenue generation.

#### Flagship Products:

- CannEpi<sup>®</sup> (early sales): Treats Refractory Epilepsy, with regulatory discussions underway for broader market access.
- Cimetra<sup>®</sup> (early sales): Targets Acute Respiratory Distress Syndrome, with significant US sales and a distribution agreement.
- CogniCann<sup>®</sup> (clinical stage): Shows promise in improving behavior and reducing agitation in dementia patients.
- IrniCann<sup>®</sup> (pre-clinical): Aims to treat Glioblastoma Multiforme, a highly aggressive brain cancer.
- RGA103MW01 (pre-clinical): Focuses on chronic wound treatment using advanced nano-formulations.

Early Access Programs (EAPs) enable faster market entry, early revenue, and valuable real-world data, supporting regulatory submissions and enhancing patient outcomes. By leveraging RWD, we ensure continuous improvement of our therapies.

Argent BioPharma is well-positioned to impact global healthcare through innovative research, a robust drug pipeline, and strategic market positioning. Our commitment to excellence and growth aligns with our mission to improve lives and deliver value to our stakeholders.

Below, we outline our achievements and future plans to continue delivering value to our shareholders and advancing our mission.

#### Company Overview

Argent BioPharma is a specialized biopharmaceutical company focused on developing and marketing innovative drugs that are pioneering in the field and represent the new generation of advanced pharmaceutical treatments. Our operations include independent EU-GMP manufacturing plants and a development centre staffed by an experienced team. With continuous research and development efforts, we aim to bring new and innovative therapies to market, enhancing the quality of life for patients and addressing significant gaps in medical care. Our core research focuses on the CNS and Immune System.

The company is currently listed on the London Stock Exchange, the Australian Stock Exchange, and the OTCQB. Our main operations and management are in the UK and EU, and a new investor base is coming from the USA. We have been formally approved by the ASX to delist, which is anticipated in the coming months. After that, we will maintain

<sup>1</sup> Refer to ASX Announcement dated 27 August 2024

## Directors' Report

our LSE and OTCQB listings. In the future, we may explore dual listing on a national exchange in the USA, such as the NASDAQ or NYSE.

Argent BioPharma has two experimental drugs with early sales in the UK, Ireland, and the USA under special access schemes, which, aside from the revenues, we can generate real-life data on our treatments, helping us to improve and render more accurate our medicines as we proceed with regulatory pathways to marketing authorizations as license drugs in Europe and the USA in the coming years.

Our experienced management, medical advisory teams, and multidisciplinary professionals can develop drugs in-house from the idea and research stage to final production. We have a fully automated commercial EU-GMP pharmaceutical manufacturing site in Malta and an EU-GMP research facility in Slovenia, equipped to develop new drugs and produce them for early sales. This hub employs researchers, a quality team, and a medical team, ensuring high standards in research and production.

### In-House Research, Development, and Manufacturing

Argent is a vertically integrated Pharmaceutical Company with an infrastructure capable to facilitating all stages of drug development, without outsourcing or external services. All our existing drugs are now using our internal IP, and we will move forward to establish Argent's proprietary IP in all aspects of our drug development. Our manufacturing and R&D facilities have been operating for five years, staffed by 40 highly experienced pharmaceutical and medical professionals who work around the clock, with the capability to take drugs from concept to receiving marketing approvals in the US FDA and EMA markets<sup>2</sup>, operating in accordance with high standards, including EU GMP facilities, capable of supporting clinical trials, commercial production, and R&D with top-tier facilities, ensuring compliance with the highest regulatory standards. Due to our capabilities and reputation, we regularly receive approaches for drug production and collaboration in distribution, with the starting of negotiations for new drugs.

### R&D Centre in Slovenia

We have an advanced R&D centre, with an experienced team committed to developing a pipeline of innovative new drug candidates for potential development. It serves as a powerful financial anchor for the company to expand its portfolio in the long term, bringing value to shareholders and addressing diseases currently lacking optimal solutions. This EU-GMP centre has the capability to develop and produce products for Early Patient Access in targeted markets.

### Malta Factory

Our fully automated liquid dose form EU GMP facility was built less than three years ago and is strongly supported by the Maltese government through multi-million dollar grants<sup>3</sup>. Based on the company's current drug portfolio and potential contract manufacturing services, it has the potential to produce a future revenue stream. The company is working on providing intermediate contract manufacturing services to other pharma companies till our internal needs fulfill the capacity.

### Argent's Flagship Drug Products:

- **CannEpil®** (in early sales) for the treatment of Refractory Epilepsy, in which approximately 30% of epilepsy patients do not respond to medication, and we aim to address this critical area. Currently, it is not running in clinical trials. At the same time, we started communication with the FDA under Pre-IND (submission No. IND170471) to define the path forward to Marketing Authorisation, with sales started in the UK under patient-name-based prescription and in the Irish market under a special access scheme fully reimbursed by the national health insurance as an unlicensed drug<sup>4</sup>.
- **Cimetra®** (in early sales) is an innovative treatment for unmet medical needs related to Acute respiratory distress syndrome (**ARDS**) and Acute lung injury. It is currently running under phase IIb studies as part of

<sup>2</sup> Refer to ASX Announcement dated 15 September 2021

<sup>3</sup> Refer to ASX Announcement dated 3 November 2021

<sup>4</sup> Refer to ASX Announcement dated 15 June 2021

## Directors' Report

the clinical program to target the prevention of Cytokine Storm, which is the key cause of lung failure. A US distributor has signed distribution agreements, and sales have reached over a million dollars in the US through the special access scheme of OTC unlicensed drugs<sup>5</sup>. CimetrA holds an NDC number as part of the early patient access scheme (NDC No: 83278-001).

- **CogniCann®** (in the clinical stage) has demonstrated improved behavior and reduced agitation in dementia patients during phase II studies<sup>6</sup>. Cognicann is currently not in clinical trials, but the company is assessing its commercial and regulatory pathways under special access schemes.
- **RGAI02GB01 - IrniCann®** (in the pre-clinical stage) is an innovative pre-clinical stage drug targeting Glioblastoma Multiforme (GBM), one of the deadliest forms of brain cancer, has the potential to provide a much needed alternative therapy for this debilitating disease.
- **RGAI03MW01** - (in the pre-clinical stage) combined biological and chemical nano-formulations for Chronic wounds which present complex challenges, including severe symptoms and management of topical infections complicated by antibiotic resistance, impenetrable biofilms, and local tissue health deterioration.

### Benefits of Early Access Programs (EAPs) for Argent BioPharma

EAPs for our experimental medicinal products (IMPs) enable faster market entry and early revenue streams. Moreover, it is supporting ongoing research and business operations. These programs provide valuable real-world data on therapy safety and efficacy, enhancing regulatory submissions and treatment protocols. Additionally, EAPs build trust with patients and healthcare providers, strengthen regulatory relationships, and offer a competitive advantage by addressing unmet medical needs. They foster brand recognition and loyalty, contribute to financial stability, and demonstrate the company's commitment to social responsibility.

Leveraging EAPs ensures Argent BioPharma's therapies reach patients sooner, improving outcomes and solidifying the company's industry position.

### Leveraging Real-World Data

One of the key outcomes of the EAPs for CannEpi®, CimetrA®, and future for CogniCann® is the collection of Real-World Data (RWD). Integrating RWD into Argent BioPharma's operations provides numerous advantages, from enhancing regulatory submissions to optimizing clinical practices and expanding market opportunities. By leveraging RWD, Argent BioPharma ensures the continuous improvement of its therapies, leading to better patient outcomes and sustained growth in the biopharmaceutical industry.

### Summary

Argent BioPharma evolved into a promising path with its innovative approach and comprehensive capabilities. Our commitment to state-of-the-art R&D facilities and controlling every stage of the drug life cycle, from research to production, ensures we deliver real value to investors. Focusing on unmet medical needs, we are developing transformative medicines like CannEpi® and CimetrA® to address critical health challenges. Our experienced and new management team drives our strategic initiatives, aiming for revenue growth, a robust drug pipeline, successful product launches, and operational efficiency.

Our strategic listing approach, supported by Shore Capital (UK), aims to align our market valuation with our actual asset value.

I firmly believe that Argent BioPharma is well-positioned to make a lasting impact on global healthcare, ensuring sustained growth and a bright future for our company and stakeholders.

<sup>5</sup> Refer to ASX Announcement dated 7 July 2023

<sup>6</sup> Refer to ASX Announcement dated 6 June 2022

## Directors' Report

### Highlights and Key Announcements

#### Positive Pre-clinical Trial Results for CimetrA®

On August 14, 2023, Argent BioPharma announced positive results from the pre-clinical Chronic Toxicology Evaluation of CimetrA®, following a 14-day oral dosing study.

The study was conducted on 32 domestic swine, which were divided into three dosage groups of CimetrA® and a placebo group, receiving treatments over a 14-day period. During the study, clinical parameters were monitored, and blood (including hematology, coagulation, and chemistry) and urine samples were collected for analysis. These samples were then subjected to histopathological evaluation.

The results demonstrated that CimetrA® is safe based on a comprehensive chronic safety and toxicology analysis in large animals. The histopathological examination of all tissues from all animals showed no abnormalities or adverse effects. It was concluded that the administered doses did not cause any toxicological changes. Additionally, there were no reported changes in blood and urine samples.

The study, conducted under animal ethics committee approval at the GLP-certified Lab Science in Action in Ness Ziona, Israel, represents a significant step forward in preparing the Investigational New Drug (IND) submission to the U.S. Food and Drug Administration (FDA).

#### Research and development / clinical trials

In addition to progress across our core programs in CNS and autoimmune diseases, Argent BioPharma has announced a strategic collaboration with SINTEF, one of Europe's largest independent research organizations. This collaboration aims to address the critical and unmet clinical challenge of chronic wound management through innovative nano-formulations.

We believe that this collaboration with SINTEF will lead to significant advancements in the treatment of chronic wounds, ultimately improving the quality of life for patients dealing with this challenging condition. The Company is excited to keep shareholders informed as the project progresses.

#### Corporate and Commercial News

Following approval from shareholders at a general meeting held on 18 March 2024, the Company officially changed its name to Argent BioPharma Ltd on 3 April 2024 (effective date of change on the LSE was 10 April 2024). Additionally, the Company's ASX and LSE TIDM migrated to RGT. The Company also completed a corporate restructuring, involving a 1,000:1 capital consolidation.

During the period, the Company executed a Deed of Variation with Mercer Street Global Opportunity Fund, LLC (Mercer) in respect of the convertible securities agreement entered into between the Company and Mercer in 2020. This included the refinancing of 500,000 convertible notes from the 2020 convertible note facility, which totalled \$2,100,000. A commercial agreement was reached by which the minimum conversion price of the Notes was reduced from not less than \$10.00 to not less than \$0.35.

The Company still intends to negotiate additional agreements with Mercer to amend the terms of the remaining 2020 convertible note facility and the 2022 convertible note facility.

During the period, Argent BioPharma's ordinary shares were approved to trade on the OTCQB Venture Market (OTCQB) in the United States, commencing trading at market open on 2 May 2024, now trading under the ticker RTGLF. The OTCQB is a leading market for U.S. and international companies in the entrepreneurial and development stage. As a verified market with efficient access to U.S. investors, OTCQB helps companies build shareholder value with a goal of enhancing liquidity and achieving a fair valuation.

## Directors' Report

### Appointment to the advisory board

Dr Shlomo Sadoun joined Argent BioPharma's advisory board in April 2024. Dr Sadoun has over 18 years of experience in the pharmaceutical sector. Dr. Sadoun co-founded and leads SK-Pharma Group, a global pharmaceutical company operating in 18 countries which specialises in producing and marketing generic, specialty pharma, hybrid generics, and biosimilar pharmaceutical products. Additionally, Dr Sadoun serves as the CEO of Arphio, an orphan drug company utilising proprietary technology to promote, market, and sell orphan drugs worldwide.

### Funding and Cash Flow Reporting

During the period, the Company raised US\$8.4 million via two placements, through the subscription of 32,480,000 new ordinary shares at significant premiums relative to the share price at the time. The Company also agreed to issue one free attaching option for every two shares subscribed for under the Placement.

### Personnel changes

During the period, the Company appointed Igor Bluvstein as the Company's Chief Financial Officer on 7 May 2024. Mr Bluvstein has over sixteen years of experience working in financial leadership positions in the digital health, e-commerce, biotechnology, petrochemical, and medical cannabis industries.

On 1 December 2023, Dr Stephen Parker and Dr Ross Walker resigned as Directors of the Company. Mr Daniel Robinson, with over 20 years' experience in a broad range of corporate roles across stockbroking, corporate advisory, investor relations and governance, was appointed as a Non-Executive Director in their place.

### Subsequent Events

Subsequent to the period, the Company advised shareholders that the Australian Securities Exchange (ASX) had provided its formal approval for the Company to delist from the official list of the ASX. A lack of liquidity, difficulties fundraising and listing costs all contributed to the decision; the Company also believes it is better suited to maintaining its current LSE listing. The Company will provide updates to shareholders on the delisting in due course.

## Directors' Report

### Information on Directors and Secretaries

Names, qualifications and experience of current directors and company secretaries:

#### **Roby Zomer – Managing Director and CEO**

Mr Zomer is an accomplished executive with extensive experience in the biopharmaceutical and biotech industries. As the CEO of the company, Roby has demonstrated strong leadership in driving strategic growth, managing financial operations, and ensuring compliance with industry-specific standards. He also served as the Chairman of the Board for Graft Polymer, overseeing the implementation of advanced polymer solutions in the Biotech, Automotive and Recycling sectors. Roby's entrepreneurial background includes founding and leading Green City Urban Recycling, a pioneering Israeli company focused on biofuel production. His innovative work in this field contributed to national energy independence initiatives and led to the company's acquisition by Rafael Advanced Defence Systems. With a solid industrial engineering and management foundation, Roby Zomer brings a unique blend of technical and strategic skills to his professional endeavours.

#### **Interest in RGT securities held as at date of this report**

##### **Chitta Lu Limited (an entity controlled by Mr Zomer)**

1 Fully Paid Ordinary Shares

##### **HSBC Custody Nominees (Australia) Limited (shares held via custodial account)**

1,292,320 Fully Paid Ordinary Shares

#### **Directorships held in other ASX listed entities in the past three years**

Nil.

#### **Layton Mills, Adv Dip Bus Mgt & Marktg– Non-Executive Director**

Mr. Mills is an experienced life-sciences executive, having worked in the biotechnology and life sciences industries for over 15 years, developing significant experience across human and animal health in pharmaceutical and consumer healthcare.

Mr. Mills is the founder of CannPal Animal Therapeutics Pty Ltd, an Animal Health Company developing cannabinoid-based veterinary medicines for FDA-CVM registration, which he led through an Initial Public Offering on the Australian Stock Exchange, followed by an acquisition by AusCann Group Holdings in 2021 where he served as CEO. Mr Mills is also the founder and Managing Director of Subgenix Lifesciences, an early-stage biotechnology Company using conventional drug development strategies to unlock the broader therapeutic potential of psychedelic compounds for rare and underserved health needs.

He has extensive international business experience having been involved in corporate business activities across Europe, Asia and North America, including government-led trade incentives with the Canberra Business Chamber.

#### **Interest in RGT securities held as at date of this report**

120,000 unlisted options

#### **Directorships held in other ASX listed entities in the past three years**

Nil.

#### **Daniel Robinson, BCom. (Prop.), MAICD– Non-Executive Director**

Mr Daniel Robinson has been appointed as a Non-Executive Director of the Company effective immediately. Mr Robinson has over 20 years' experience in a broad range of corporate roles across stockbroking, corporate advisory, investor relations and governance. He is an experienced Company Secretary and Director of both private and listed companies. Additionally, Mr Robinson is a Member of the Australian Institute of Company Directors.

#### **Interest in RGT securities held as at date of this report**

120,000 unlisted options.

#### **Directorships held in other ASX listed entities in the past three years**

Nil.

## Directors' Report

### Dr Stephen Parker, D.Phil, MBA – Non Executive Chairman

Dr Stephen Parker is a seasoned executive with over 31 years' experience in the pharmaceuticals and biotechnology sectors, as a senior executive in the sector, a strategic consultant, a venture capitalist and a senior corporate financier with Baring's, Warburg's and Apax Partners. Dr Parker is currently Chairman of Sareum Holdings plc and Midatech Pharmaceuticals plc and a non-Executive Director of Eternans Limited. Stephen has a D.Phil. from Oxford University and an MBA from City University Business School.

### Dr Ross Walker, MBBS (Hons), FRACP, FCSANZ - Non-Executive Director and Chairman of Strategic Advisory Board

Dr Ross Walker is an eminent practicing cardiologist with over 36 years' experience as a clinician. For the past 21 years, he has been focusing on preventative cardiology and is one of Australia's leading preventative health experts.

Dr Walker is considered one of the world's best keynote speakers and life coaches, he is the author of seven best-selling books and a health presenter in the Australian Media

### Rowan Harland – Company Secretary

Mr Harland is a corporate advisory executive at SmallCap Corporate, a Perth based corporate advisory firm. Mr Harland is responsible for a range of services including Company Secretarial services for listed and unlisted entities.

Mr Harland holds a Master of Finance degree as well as a Bachelor of Commerce from Curtin University.

### Gender and Diversity Targets

The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website. The Diversity Policy allows the board to set measurable gender diversity objectives and the Company's progress in achieving them. The board did not set measurable gender diversity objectives for the past financial year, due to the limited nature of the Company's existing and proposed activities and the board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans.

As required by UK Listing Rule 14.3.33, further details on board composition as at 30 June 2024 are set out below:

#### i) Gender Identity or Sex

|       | Number of board members | Number of senior positions on the board (CEO, CFO, SID and Chair) | Percentage of the board | Number in executive management | Percentage of executive management |
|-------|-------------------------|-------------------------------------------------------------------|-------------------------|--------------------------------|------------------------------------|
| Men   | 2                       | 1 <sup>(*)</sup>                                                  | 100%                    | 4 <sup>(*)</sup>               | 60%                                |
| Women | -                       | 0                                                                 | 0%                      | 2                              | 40%                                |

(\*) Roby Zomer serves as both the Chief Executive Officer (CEO) and Managing Director (MD) and is an integral member of the Board and the Executive team.

## Directors' Report

### ii) Ethnic Background

|                                                                | Number of board members | Number of senior positions on the board (CEO, CFO, SID and Chair) | Percentage of the board | Number in executive management | Percentage of executive management |
|----------------------------------------------------------------|-------------------------|-------------------------------------------------------------------|-------------------------|--------------------------------|------------------------------------|
| White British or other White (including minority-white groups) | 2                       | -                                                                 | 66.67%                  | 1                              | 20%                                |
| Mixed/Multiple Ethnic Groups                                   | -                       | -                                                                 | -                       | -                              | -                                  |
| Asian/African British                                          | -                       | -                                                                 | -                       | -                              | -                                  |
| Black/African/Caribbean /Black British                         | -                       | -                                                                 | -                       | -                              | -                                  |
| Other ethnic groups                                            | -                       | 1 <sup>(*)</sup>                                                  | 33.33%                  | 5 <sup>(*)</sup>               | 80%                                |

(\*) Roby Zomer serves as both the Chief Executive Officer (CEO) and Managing Director (MD) and is an integral member of the Board and the Executive team.

## Business Risks

### Sufficiency of funding

The Group's business strategy will require substantial expenditure and there can be no guarantees that the Company's existing cash reserves and funds generated over time by the Company's business will be sufficient to successfully achieve all the objectives of the Company's business strategy. Further funding of projects may be required by the Company to support the ongoing activities and operations of the Group, including the need to conduct further research and development, enhance its operating infrastructure and to acquire complementary businesses and technologies.

Accordingly, the Company may need to engage in equity or debt financing to secure additional funds. If the Company is unable to use debt or equity to fund expansion after utilising existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. If the Company is unable to raise capital if and when needed, this could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

### Default Risk – Debt and Convertible Securities Agreement

As announced on 10 September 2020, the Company entered into a convertible securities agreement with Mercer, a United States based investment group (2020 Convertible Securities Agreement). Pursuant to the 2020 Convertible Securities Agreement, the Company was provided with funding of up to \$15,000,000 (Mercer Facility).

Under the 2020 Convertible Securities Agreement, a total of 6,325,000 convertible notes were issued in two tranches (representing drawdowns of A\$5,750,000) (Convertible Notes). The Company has obligations to either repay outstanding amounts owed by the Company, or issue Shares upon receipt of a conversion notice. As at the date of this Report, a total of 4,225,000 Convertible Notes have been converted into Shares and the balance of 2,100,000 Convertible Notes remain on issue. As announced on 2 February 2023, the Company and Mercer agreed to extend the maturity date of the 2,100,000 convertible notes on issue from 24 November 2022 to 1 February 2024.

## Directors' Report

As announced on 29 July 2022, the Company entered into an agreement with Mercer (2022 Convertible Securities Agreement), whereby Mercer conditionally agreed to provide the Company with up to a total of US\$10 million in funding. During the period from 4 August 2022 to 1 November 2022, the Company drew down an aggregate of US\$3,100,000 in exchange for the issue of 3,410,000 Convertible Notes. During the period from 28 December 2022 to 6 February 2023, the Company drew down an additional US\$1,133,120 in exchange for the issue of 1,246,432 Convertible Notes. On 9 March 2023 (prior to the general meeting of Shareholders), the Company drew down an additional US\$500,000 in exchange for the issue of 550,000 Convertible Notes.

During the period (March 2024), the Company executed a Deed of Variation with Mercer Street Global Opportunity Fund, LLC (Mercer) in respect of the convertible securities agreement entered into between the Company and Mercer in 2020. This included the refinancing of 500,000 convertible notes from the 2020 convertible note facility, which totalled \$2,100,000. A commercial agreement was reached by which the minimum conversion price of 500,000 Notes from the 2020 Facility was reduced from not less than \$10.00 to not less than \$0.35.

At the date of this report, the Company has issued 1,600,000 Convertible Notes under the 2020 Convertible Securities Agreement and 5,206,432 Convertible Notes under the 2022 Convertible Securities Agreement.

As of the date of this report, a total of \$8,679,515 in principal and accrued interest remain outstanding on the notes, which as of the date of this Report, are past due. The Company is negotiating with Mercer an extension of the maturity date; however there can be no assurance that the Company will be successful in obtaining such extensions. The Company expects to be able to redeem the Convertible Notes or make interest payments in respect of the amounts advanced under the Convertible Notes using the proceeds from future debt or equity raisings, cash flows from operations or proceeds from the sale of assets. However, there is a risk that the Company may be unable to procure or raise sufficient cash resources from its operations, future debt or equity raisings. Should the Company default on its obligations under the Convertible Securities Agreement, an event of default will occur. In these circumstances, if the Company is unable to raise sufficient funds or otherwise cure the default, Mercer will be able to seek immediate repayment of the debts due or enforce the security granted under the associated security document and sell some or all of the Company's assets.

### **The Group does not have its own distribution operations and is reliant on contractual arrangements with third parties**

The Group does not have its own distribution capability and at present, relies on partnerships with pharmaceutical distributors and logistics providers in key territories to facilitate the import and distribution of its products.

For example, the Company has a distribution agreement with PCCA, for the distribution of CannEpil®, Cimetra® and potentially CogniCann® in the UK. In each jurisdiction, the Group's products are imported by appointed distributors who hold the required controlled substance licences and distribution capability. The ability of the Group to distribute its products may be severely and adversely affected, delayed or unable to continue at all. Delays in the distribution of the Group's products may arise due to operational issues or delays affecting or arising from the distribution partners, which are outside the control of the Group such as any of them losing or failing to maintain requisite licences and approvals.

### **The Group's intellectual property protection may be limited**

The Company is actively trademarking both its brands and ingredients of the Group's product suites and has filed for trademarks in both the EU and Australia, for CannEpil®, Cimetra®, CogniCann™. The Group has two patent protections of its products, Cimetra and CannEpil IL. Nevertheless, the patents may be infringed by other companies around the world without the Company's knowledge.

### **Foreign exchange risks**

The Company and its Australian operating subsidiary, Argent BioPharma Research (Aus) Pty Ltd, are incorporated and registered in Australia, the other members of the Group operate in numerous jurisdictions, including the United Kingdom, Slovenia and Malta. Consequently, the Group may generate revenue and incurs costs and expenses in more than one currency, predominately the Euro. Accordingly, the depreciation and/or the appreciation of the Euro, for example, relative to the Australian Dollar would result in a foreign currency loss/gain. Any depreciation of the Euro, relative to the Australian Dollar may result in lower than anticipated revenue, profit and earnings of the Company.

## Directors' Report

### Remuneration Report (Audited)

This report details the nature and amount of remuneration for each key management person of Argent BioPharma Ltd, and for the executives receiving the highest remuneration.

#### Remuneration Policy

The remuneration policy of Argent BioPharma Ltd has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The Board of Argent BioPharma Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The Board reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel are also entitled to participate in the employee securities incentive plan.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment, and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the consolidated group. However, to align directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee securities incentive plan.

#### Performance-based Remuneration

The Board deemed it appropriate to ensure both management and the Directors had incentive performance rights issued. These performance rights are considered a combination of service-based criteria and milestones linked to share price growth. The Board considers this appropriate, as it aligns with creating shareholder value and also assists retaining key people which are paid at or below market rates to reduce cash outlay.

## Directors' Report

### Company Performance, Shareholder Wealth and Director and Executive Remuneration

#### Overview of Company Performance

The table below sets out information about Argent BioPharma Group earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

|                                                                      | 30 June<br>2024   | 30 June 2023 | 30 June 2022 | 30 June 2021 | 30 June 2020 |
|----------------------------------------------------------------------|-------------------|--------------|--------------|--------------|--------------|
| Net loss after tax (\$) attributable to members of the parent entity | (17,530,600)      | (20,823,583) | (20,347,439) | (15,871,978) | (19,370,226) |
| Share price at year end (\$)                                         | 0.34 <sup>1</sup> | 0.005        | 0.02         | 0.037        | 0.02         |
| Basic loss per share (cents)                                         | (47.36)           | (0.71)       | (0.79)       | (0.83)       | (1.40)       |
| Dividends paid                                                       | -                 | -            | -            | -            | -            |

<sup>1</sup> Post 1000:1 share consolidation

#### Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management for the Group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

All Directors had contracts in place with the Company during the financial year as detailed below.

#### Material terms of agreements in place during the financial year:

##### **Roby Zomer, CEO & Managing Director**

- The Non-Executive Director agreement for Argent BioPharma (UK) Ltd began on 30 June 2016. As of June 2024, Roby is no longer receiving director fees for this role. Previously, the monthly fee was £910.
- An addendum to the director agreement for Argent BioPharma d.o.o., the Group's Slovenian subsidiary, commenced on January 2023.
- The director is compensated with a monthly fee of €1,253.90
- Argent BioPharma Ltd has entered into a 12-month rolling Executive Services Agreement, which requires a 90-day notice period and includes no termination fee. A fee of \$3,500 USD per month is paid to A.R.A Consulting, a private entity registered in Israel and owned by Mr. Zomer
- Additionally, Chitta Lu Limited, an entity controlled by Mr. Zomer, receives a monthly fee of \$16,500 USD. Previously, the monthly fee was £11,000 (GBP) per month.

##### **Layton Mills, Non-Executive Director**

- Director Agreement dated 1 June 2023, no termination date or payment on termination;
- Non-Executive Director fees of \$4,000 per month

##### **Daniel Robinson, Non-Executive Director**

- Director Agreement dated 1 December 2023, no termination date or payment on termination;
- Non-Executive Director fees of \$4,000 per month

## Directors' Report

### Dr Ross Walker, Non-Executive Director

- Non-Executive Director fees of \$4,000 per month
- Mr Walker ceased being a Director on 30 November 2023

### Dr Stephen Parker, Non-Executive Chairman

- The Non-Executive Director received a monthly fee of £2,200.
- Dr Stephen Parker ceased being a director on 30 November 2023

## Details of Remuneration

### Key Management Personnel Remuneration

|           | Short-term Benefits |                   |                     | Post-employment benefits |                      |        |                                   |       |                       |
|-----------|---------------------|-------------------|---------------------|--------------------------|----------------------|--------|-----------------------------------|-------|-----------------------|
| Directors | Cash and salary     | Performance Bonus | Other <sup>ii</sup> | Super-annuation          | Termination benefits | Equity | Share based Payments <sup>i</sup> | Total | Performance related % |

#### 2024

|                 |                |               |          |          |          |          |               |                |    |
|-----------------|----------------|---------------|----------|----------|----------|----------|---------------|----------------|----|
| Roby Zomer      | 387,081        | 29,983        | -        | -        | -        | -        | -             | 417,064        | 7% |
| Ross Walker     | 32,000         | -             | -        | -        | -        | -        | -             | 32,000         | -  |
| Stephen Parker  | 16,454         | -             | -        | -        | -        | -        | -             | 16,454         | -  |
| Daniel Robinson | 28,000         | -             | -        | -        | -        | -        | 13,917        | 41,917         | -  |
| Layton Mills    | 48,000         | -             | -        | -        | -        | -        | 13,917        | 61,917         | -  |
| <b>Total</b>    | <b>511,535</b> | <b>29,983</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>27,834</b> | <b>569,352</b> |    |

#### 2023

|                |                |          |          |          |          |          |          |                |          |
|----------------|----------------|----------|----------|----------|----------|----------|----------|----------------|----------|
| Brett Mitchell | 337,928        | -        | -        | -        | -        | -        | -        | 337,928        | -        |
| Roby Zomer     | 354,018        | -        | -        | -        | -        | -        | -        | 354,018        | -        |
| Nativ Segev    | 116,732        | -        | -        | -        | -        | -        | -        | 116,732        | -        |
| Ross Walker    | 44,000         | -        | -        | -        | -        | -        | -        | 44,000         | -        |
| Stephen Parker | 30,591         | -        | -        | -        | -        | -        | -        | 30,591         | -        |
| Evan Hayes     | 35,200         | -        | -        | -        | -        | -        | -        | 35,200         | -        |
| Layton Mills   | -              | -        | -        | -        | -        | -        | -        | -              | -        |
| <b>Total</b>   | <b>918,469</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>918,469</b> | <b>-</b> |

All Directors have contracts with the Company.

### Option Holdings of Key Management Personnel

| Directors | Opening Balance | Granted as Compensation | Options Exercised | Net Other Changes | Closing Balance (vested and exercisable) |
|-----------|-----------------|-------------------------|-------------------|-------------------|------------------------------------------|
|-----------|-----------------|-------------------------|-------------------|-------------------|------------------------------------------|

|                 |          |                |          |          |                |
|-----------------|----------|----------------|----------|----------|----------------|
| <b>2024</b>     |          |                |          |          |                |
| Roby Zomer      | -        | -              | -        | -        | -              |
| Daniel Robinson | -        | 120,000        | -        | -        | 120,000        |
| Layton Mills    | -        | 120,000        | -        | -        | 120,000        |
| Ross Walker     | -        | -              | -        | -        | -              |
| Stephen Parker  | -        | -              | -        | -        | -              |
| <b>Total</b>    | <b>-</b> | <b>240,000</b> | <b>-</b> | <b>-</b> | <b>240,000</b> |

## Directors' Report

**2023**

|                             |                  |   |   |                |                  |
|-----------------------------|------------------|---|---|----------------|------------------|
| Brett Mitchell <sup>i</sup> | 4,500,000        | - | - | - <sup>i</sup> | 4,500,000        |
| Roby Zomer                  | -                | - | - | -              | -                |
| Nativ Segev                 | -                | - | - | -              | -                |
| Ross Walker                 | -                | - | - | -              | -                |
| Stephen Parker              | -                | - | - | -              | -                |
| <b>Total</b>                | <b>4,500,000</b> | - | - | -              | <b>4,500,000</b> |

i. 4,500,000 options are held by YCAGAGF Investments Pty Ltd a company of which Mr Mitchell is a director and 33% shareholder.

**Performance Rights held by Key Management Personnel**

Details of performance rights held directly, indirectly or beneficially by KMP and their related parties are as follows:

| Directors                     | Opening Balance   | Granted as Compensation | Performance Rights Exercised | Net Other Changes           | Balance at Date of Retirement | Closing Balance  | Vested Unexercised |
|-------------------------------|-------------------|-------------------------|------------------------------|-----------------------------|-------------------------------|------------------|--------------------|
| <b>2024</b>                   |                   |                         |                              |                             |                               |                  |                    |
| Roby Zomer                    | 4,900,000         | -                       | -                            | (4,895,100) <sup>iv</sup>   | -                             | 4,900            | 4,900              |
| Stephen Parker                | -                 | -                       | -                            | -                           | -                             | -                | -                  |
| Ross Walker                   | -                 | -                       | -                            | -                           | -                             | -                | -                  |
| Daniel Robinson <sup>vi</sup> | -                 | -                       | -                            | -                           | -                             | -                | -                  |
| Layton Mills <sup>v</sup>     | -                 | -                       | -                            | -                           | -                             | -                | -                  |
| <b>Total</b>                  | <b>4,900,000</b>  | -                       | -                            | <b>(4,895,100)</b>          | -                             | <b>4,900</b>     | <b>4,900</b>       |
| <b>2023</b>                   |                   |                         |                              |                             |                               |                  |                    |
| Roby Zomer                    | 22,400,000        | -                       | -                            | (17,500,000) <sup>iii</sup> | -                             | 4,900,000        | 4,900,000          |
| Stephen Parker                | 1,400,000         | -                       | -                            | (1,400,000) <sup>iii</sup>  | -                             | -                | -                  |
| Ross Walker                   | 1,050,000         | -                       | -                            | (1,050,000) <sup>iii</sup>  | -                             | -                | -                  |
| Layton Mills                  | -                 | -                       | -                            | -                           | -                             | -                | -                  |
| Brett Mitchell <sup>i</sup>   | 22,400,000        | -                       | -                            | (17,500,000) <sup>iii</sup> | 4,900,000                     | -                | -                  |
| Nativ Segev                   | 1,650,000         | -                       | -                            | (1,050,000) <sup>iii</sup>  | 600,000                       | -                | -                  |
| Evan Hayes <sup>ii</sup>      | 2,000,000         | -                       | -                            | -                           | 2,000,000                     | -                | -                  |
| <b>Total</b>                  | <b>50,900,000</b> | -                       | -                            | <b>(38,500,000)</b>         | <b>7,500,000</b>              | <b>4,900,000</b> | <b>4,900,000</b>   |

i. Ceased being a Director on 1 June 2023.

ii. Ceased being a Director on 1 January 2023.

iii. Lapsed as vesting conditions not satisfied.

iv. Due to 1,000:1 consolidation

v. Appointed as a director 1 June 2023

vi. Appointed as a director 1 December 2023

**Shareholdings of Key Management Personnel**

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by KMP and their parties are as follows:

**Shareholdings**

| Directors       | Opening Balance   | Granted as Compensation | Convertible Securities Exercised | Net Other Changes         | Balance at Date of Retirement | Closing Balance (30 June 2024) |
|-----------------|-------------------|-------------------------|----------------------------------|---------------------------|-------------------------------|--------------------------------|
| <b>2024</b>     |                   |                         |                                  |                           |                               |                                |
| Roby Zomer      | 33,819,673        | -                       | -                                | (33,785,853) <sup>v</sup> | -                             | 33,821                         |
| Stephen Parker  | -                 | -                       | -                                | -                         | -                             | -                              |
| Ross Walker     | -                 | -                       | -                                | -                         | -                             | -                              |
| Layton Mills    | -                 | -                       | -                                | -                         | -                             | -                              |
| Daniel Robinson | -                 | -                       | -                                | -                         | -                             | -                              |
| <b>Total</b>    | <b>33,819,673</b> | -                       | -                                | <b>(33,785,853)</b>       | -                             | <b>33,820</b>                  |
| <b>2023</b>     |                   |                         |                                  |                           |                               |                                |
| Roby Zomer      | 33,819,673        | -                       | -                                | -                         | -                             | 33,819,673                     |
| Stephen Parker  | 1,993,427         | -                       | -                                | -                         | -                             | 1,993,427                      |
| Ross Walker     | 4,970,370         | -                       | -                                | -                         | -                             | 4,970,370                      |

## Directors' Report

|                             |                    |          |          |          |                     |                   |
|-----------------------------|--------------------|----------|----------|----------|---------------------|-------------------|
| Layton Mills <sup>iv</sup>  | -                  | -        | -        | -        | -                   | -                 |
| Brett Mitchell <sup>i</sup> | 30,960,558         | -        | -        | -        | (30,960,558)        | -                 |
| Nativ Segev <sup>i</sup>    | 58,000,001         | -        | -        | -        | (58,000,001)        | -                 |
| Evan Hayes <sup>ii</sup>    | 295,000            | -        | -        | -        | (295,000)           | -                 |
| <b>Total</b>                | <b>130,039,029</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(89,255,559)</b> | <b>40,783,470</b> |

- i. Ceased being a Director on 1 June 2023
- ii. Ceased being a Director on 1 January 2023
- iii. Acquired on market
- iv. Joined as a director 1 June 2023
- v. Due to 1,000:1 consolidation

### Transactions with Director related entities

Directors and officers, or their personally-related entities, hold positions in other entities that result in them having controls or significant influence over the financial or operating policies of those entities.

Details of non-remuneration related transactions including amounts receivable and payable at the end of the year are as follows:

| Related Party                                    | Relationship | Nature of transactions            | Transactions           |                        | Balances (owing to)/ owed by |                        |
|--------------------------------------------------|--------------|-----------------------------------|------------------------|------------------------|------------------------------|------------------------|
|                                                  |              |                                   | Full Year 30-Jun-24 \$ | Full Year 30-Jun-23 \$ | Full Year 30-Jun-24 \$       | Full Year 30-Jun-23 \$ |
| CHIEFTAIN SECURITIES (WA) PTY LTD (CHIEFTAIN WA) | (i)          | Corporate services from Chieftain | -                      | -                      | -                            | 22,000                 |

- (i) Mr Brett Mitchell holds a 25% shareholding in Chieftain Securities (WA) Pty Ltd. Ceased being a Director in RGT on 1 June 2023

## End of Remuneration Report

## Directors' Report

### Meetings of Directors

The Directors attendances at Board meetings held during the year were:

|                              | Board Meetings |          |
|------------------------------|----------------|----------|
|                              | Held           | Attended |
| Roby Zomer                   | 6              | 5        |
| Layton Mills                 | 6              | 6        |
| Daniel Robinson <sup>i</sup> | 6              | 3        |
| Stephen Parker <sup>ii</sup> | 6              | 3        |
| Ross Walker <sup>ii</sup>    | 6              | 3        |

i. Appointed as a director 1 December 2023

ii. Ceased being a director 30 November 2023

In addition to attending board meetings a number of Board Resolutions were passed by Written Resolution.

### Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Argent BioPharma Ltd support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the ASX Corporate Governance Council, and considers that the Company is in compliance with many of those guidelines which are of importance to the commercial operation of the Company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. The Company's Corporate Governance Policy is available for review on the Company's website <https://argentbiopharma.com/>.

### Options

At the date of this report the options on issue for Argent BioPharma Ltd are as follows:

| Date of Expiry | Exercise Price | Number            |
|----------------|----------------|-------------------|
| 1 Dec 2024     | £20.00         | 9,000             |
| 30 Jun 2025    | \$13.00        | 50,000            |
| 14 Jul 2026    | £1.20          | 540,668           |
| 31 July 2026   | \$3.00         | 181,422           |
| 10 Jan 2027    | \$1.00         | 740,000           |
| 28 Mar 2027    | \$0.42         | 240,000           |
| 3 Jul 2027     | US\$1.20       | 312,500           |
| 17 Jul 2027    | US\$1.20       | 1,250,000         |
| 7 Nov 2028     | US\$0.32       | 15,500,000        |
| 1 Dec 2028     | \$0.86         | 288,185           |
| 1 Mar 2029     | \$0.70         | 131,000           |
| <b>TOTAL</b>   |                | <b>19,242,775</b> |

### Rights

At the date of this report the performance rights on issue for Argent BioPharma Ltd are as follows:

| Description                 | Exercise Price | Vested | Number         |
|-----------------------------|----------------|--------|----------------|
| Dec 21 Employee Class D     | nil            | yes    | 500            |
| Employee Performance Rights | nil            | no     | 306,000        |
| <b>TOTAL</b>                |                |        | <b>306,500</b> |

### Convertible Notes

At the date of this report the convertible notes on issue for Argent BioPharma Ltd are as follows:

| Issue Date  | Minimum Conversion Price | Face Value per security | Maturity Date | Number    |
|-------------|--------------------------|-------------------------|---------------|-----------|
| 20 Nov 2020 | \$10.00 <sup>1</sup>     | A\$1.00                 | 1 Feb 2024    | 1,600,000 |

**Directors' Report**

| Issue Date   | Minimum Conversion Price | Face Value per security | Maturity Date | Number           |
|--------------|--------------------------|-------------------------|---------------|------------------|
| 4 Aug 2022   | \$10.00 <sup>1</sup>     | US\$1.00                | 4 Feb 2024    | 1,320,000        |
| 26 Aug 2022  | \$10.00 <sup>1</sup>     | US\$1.00                | 26 Feb 2024   | 825,000          |
| 23 Sep 2022  | \$10.00 <sup>1</sup>     | US\$1.00                | 23 Mar 2024   | 605,000          |
| 1 Nov 2022   | \$10.00 <sup>1</sup>     | US\$1.00                | 1 May 2024    | 660,000          |
| 28 Dec 2022  | \$10.00 <sup>1</sup>     | US\$1.00                | 28 Jun 2024   | 586,432          |
| 3 Feb 2023   | \$10.00 <sup>1</sup>     | US\$1.00                | 3 Aug 2025    | 660,000          |
| 8 Mar 2023   | \$10.00 <sup>1</sup>     | US\$1.00                | 8 Sep 2025    | 550,000          |
| <b>Total</b> |                          |                         |               | <b>6,806,432</b> |

1. The 1,000:1 share consolidation in November 2023 adjusted the minimum conversion price from \$0.01 to \$10.00.

**Indemnifying Officers or Auditor**

The Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure all of the Directors of the Company as named above, the company secretary and all executive officers of the Company against any liability incurred as such by a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the notice of the liability and the amount of the premium.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Hall Chadwick, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Hall Chadwick during or since the financial year.

**Proceedings on behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

**Non-audit Services**

The group's auditor, Hall Chadwick, provided tax compliance services as part of their non-audit services.

Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on the following page of the financial report.

This report is made in accordance with a resolution of the Directors. These financial statements were authorised for issue in accordance with a resolution by the Directors of the Company on 30 September 2024.



Roby Zomer  
Managing Director

Dated 30 September 2024

**ARGENT BIOPHARMA LTD  
ABN 30 116 800 269  
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF ARGENT BIOPHARMA LTD**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Argent Biopharma Ltd. As the lead audit partner for the audit of the financial report of Argent Biopharma Ltd. for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

*Hall Chadwick (NSW)*

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*Anthony Travers*

**ANTHONY TRAVERS**  
Partner  
Dated: 30 September 2024

| ADELAIDE                                                          | BRISBANE                                                            | DARWIN                                                             | MELBOURNE                                                               | PERTH                                                             | SYDNEY                                                          |
|-------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|
| Level 9<br>50 Pirie Street<br>Adelaide SA 5000<br>+61 8 7093 8283 | Level 4<br>240 Queen Street<br>Brisbane QLD 4000<br>+61 7 2111 7000 | Level 1<br>48-50 Smith Street<br>Darwin NT 0800<br>+61 8 8943 0645 | Level 14<br>440 Collins Street<br>Melbourne VIC 3000<br>+61 3 9820 6400 | Level 11<br>77 St Georges Tce<br>Perth WA 6000<br>+61 8 6557 6200 | Level 40<br>2 Park Street<br>Sydney NSW 2000<br>+61 2 9263 2600 |

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

[www.hallchadwick.com.au](http://www.hallchadwick.com.au)

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

|                                                                                           | Note | 30-Jun-24<br>\$     | 30-Jun-23<br>\$     |
|-------------------------------------------------------------------------------------------|------|---------------------|---------------------|
| Revenue from contracts with customers                                                     | 4a)  | 891,083             | 3,387,567           |
| Cost of sales                                                                             | 5a)  | (687,386)           | (1,937,377)         |
| <b>Gross profit</b>                                                                       |      | <b>203,697</b>      | <b>1,450,190</b>    |
| Other operating income                                                                    | 4c)  | 727,963             | 555,544             |
| Administrative expenses                                                                   | 5b)  | (15,556,230)        | (13,343,392)        |
| Research and Development expenses                                                         |      | (2,321,368)         | (2,990,226)         |
| Other operating expenses                                                                  | 5c)  | (1,095,767)         | (879,214)           |
| Fair value movement on financial instruments                                              | 5g)  | -                   | (131,409)           |
| Reversal of (Impairment expense)                                                          | 5e)  | 1,341,465           | (4,532,940)         |
| <b>Operating loss</b>                                                                     |      | <b>(16,700,240)</b> | <b>(19,871,447)</b> |
| Finance costs                                                                             | 5f)  | (482,474)           | (262,257)           |
| Finance income                                                                            | 4b)  | 1,929               | 240                 |
| Other expenses                                                                            | 5d)  | (423,964)           | (1,216,651)         |
| Other income                                                                              |      | 56,316              | 218,598             |
| <b>Loss before income tax</b>                                                             |      | <b>(17,548,433)</b> | <b>(21,131,517)</b> |
| Income tax expense                                                                        | 6)   | -                   | (2,018)             |
| <b>Loss for the year</b>                                                                  |      | <b>(17,548,433)</b> | <b>(21,133,535)</b> |
| Attributable to:                                                                          |      |                     |                     |
| Members of the parent entity                                                              |      | (17,530,600)        | (20,823,584)        |
| Non-controlling interest                                                                  |      | (17,833)            | (309,951)           |
|                                                                                           |      | <b>(17,548,433)</b> | <b>(21,133,535)</b> |
| <b>Other comprehensive income for the year</b>                                            |      |                     |                     |
| <b>Items that may be reclassified subsequently to profit or loss</b>                      |      |                     |                     |
| Exchange differences on the translation of foreign operations                             |      | (431,253)           | 1,264,822           |
| <b>Other comprehensive income (net of tax) for the year</b>                               |      | <b>(431,253)</b>    | <b>1,264,822</b>    |
| <b>Total comprehensive loss for the year</b>                                              |      | <b>(17,979,686)</b> | <b>(19,868,713)</b> |
| <b>Total comprehensive loss attributable to:</b>                                          |      |                     |                     |
| Members of the parent entity                                                              |      | (17,917,541)        | (19,897,587)        |
| Non-controlling interest                                                                  |      | (62,145)            | 28,874              |
|                                                                                           |      | <b>(17,979,686)</b> | <b>(19,868,713)</b> |
| <b>Earnings per share</b>                                                                 |      |                     |                     |
| Basic and diluted loss for the year attributable to ordinary equity holders of the parent | 18)  | (47.36)             | (0.71)              |

The accompanying notes form part of these financial statements

# Consolidated Statement of Financial Position

As at 30 June 2024

|                                                            | Note   | 30-Jun-24<br>\$    | 30-Jun-23<br>\$    |
|------------------------------------------------------------|--------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                                      |        |                    |                    |
| Cash and cash equivalents                                  | 7)     | 702,870            | 239,821            |
| Inventory                                                  | 8)     | 875,120            | 1,362,502          |
| Trade and other receivables                                | 9)     | 476,530            | 531,314            |
| Prepayments                                                |        | 685,713            | 396,926            |
| <b>Total Current Assets</b>                                |        | <b>2,740,233</b>   | <b>2,530,563</b>   |
| <b>NON-CURRENT ASSETS</b>                                  |        |                    |                    |
| Plant and equipment                                        | 10)    | 5,661,603          | 6,864,412          |
| Investment in entities accounted for using equity method   | 12)    | 1,326,871          | -                  |
| Right-of-use assets                                        | 14)    | 1,058,673          | 588,677            |
| <b>Total Non-Current Assets</b>                            |        | <b>8,047,147</b>   | <b>7,453,089</b>   |
| <b>TOTAL ASSETS</b>                                        |        | <b>10,787,380</b>  | <b>9,983,652</b>   |
| <b>CURRENT LIABILITIES</b>                                 |        |                    |                    |
| Trade and other payables                                   | 13a)   | 2,719,163          | 3,303,826          |
| Deferred revenue                                           | 13b)   | 553,606            | 658,133            |
| Financial liabilities at fair value through profit or loss | 15)    | 8,679,515          | 9,179,515          |
| Lease liabilities                                          | 14)    | 223,813            | 190,570            |
| <b>Total Current Liabilities</b>                           |        | <b>12,176,097</b>  | <b>13,332,044</b>  |
| <b>NON-CURRENT LIABILITIES</b>                             |        |                    |                    |
| Provisions                                                 |        | 16,753             | 21,009             |
| Deferred revenue                                           | 13c)   | 3,598,439          | 4,277,865          |
| Lease liabilities                                          | 14)    | 820,911            | 384,569            |
| <b>Total Non-Current Liabilities</b>                       |        | <b>4,436,103</b>   | <b>4,683,443</b>   |
| <b>TOTAL LIABILITIES</b>                                   |        | <b>16,612,200</b>  | <b>18,015,487</b>  |
| <b>NET (LIABILITIES) ASSETS</b>                            |        | <b>(5,824,820)</b> | <b>(8,031,835)</b> |
| <b>EQUITY</b>                                              |        |                    |                    |
| Contributed equity                                         | 16a)   | 123,288,573        | 103,690,800        |
| Share based payment reserve                                | 16bi)  | 1,298,937          | 8,142,037          |
| Foreign currency translation reserve                       | 16bii) | (71,535)           | 315,406            |
| Consolidation reserve                                      |        | -                  | (382,404)          |
| Accumulated losses                                         |        | (129,668,423)      | (119,168,919)      |
| <b>Equity attributable to equity holders of the parent</b> |        | <b>(5,152,448)</b> | <b>(7,403,080)</b> |
| Non-controlling interest                                   |        | (672,372)          | (628,755)          |
| <b>TOTAL EQUITY</b>                                        |        | <b>(5,824,820)</b> | <b>(8,031,835)</b> |

The accompanying notes form part of these financial statements

Annual Report for the year ended 30 June 2024

**Consolidated Statement of Changes in Equity**

For the year ended 30 June 2024

|                                                          | Contributed<br>Equity | Share Based<br>Payment<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Consolidation<br>Reserve | Retained<br>Earnings | Non-<br>Controlling<br>Interest | Total               |
|----------------------------------------------------------|-----------------------|-----------------------------------|-----------------------------------------------|--------------------------|----------------------|---------------------------------|---------------------|
|                                                          | \$                    | \$                                | \$                                            | \$                       | \$                   | \$                              | \$                  |
| <b>Balance at 1<sup>st</sup> July 2022</b>               | <b>97,251,478</b>     | <b>7,924,264</b>                  | <b>(610,591)</b>                              | <b>(382,404)</b>         | <b>(98,345,335)</b>  | <b>(657,629)</b>                | <b>5,179,783</b>    |
| Other comprehensive income                               | -                     | -                                 | 925,997                                       | -                        | -                    | 338,825                         | 1,264,822           |
| Loss after income tax expense                            | -                     | -                                 | -                                             | -                        | (20,823,584)         | (309,951)                       | (21,133,535)        |
| <b>Total comprehensive loss for the year</b>             | <b>-</b>              | <b>-</b>                          | <b>925,997</b>                                | <b>-</b>                 | <b>(20,823,584)</b>  | <b>28,874</b>                   | <b>(19,868,713)</b> |
| Shares issued during the year (net of share issue costs) | 2,768,965             | -                                 | -                                             | -                        | -                    | -                               | 2,768,965           |
| Exercise of performance rights                           | 8,000                 | (8,000)                           | -                                             | -                        | -                    | -                               | -                   |
| Acquisition of ZAM Software Ltd                          | 1,231,245             | -                                 | -                                             | -                        | -                    | -                               | 1,231,245           |
| Share based payments                                     | 1,113,612             | 225,773                           | -                                             | -                        | -                    | -                               | 1,339,385           |
| Equity issued to extinguish financial liabilities        | 1,317,500             | -                                 | -                                             | -                        | -                    | -                               | 1,317,500           |
| <b>Balance at 30 June 2023</b>                           | <b>103,690,800</b>    | <b>8,142,037</b>                  | <b>315,406</b>                                | <b>(382,404)</b>         | <b>(119,168,919)</b> | <b>(628,755)</b>                | <b>(8,031,835)</b>  |
| <b>Balance at 1<sup>st</sup> July 2023</b>               | <b>103,690,800</b>    | <b>8,142,037</b>                  | <b>315,406</b>                                | <b>(382,404)</b>         | <b>(119,168,919)</b> | <b>(628,755)</b>                | <b>(8,031,835)</b>  |
| Other comprehensive income                               | -                     | -                                 | (386,941)                                     | -                        | -                    | (44,312)                        | (431,253)           |
| Loss after income tax expense                            | -                     | -                                 | -                                             | -                        | (17,530,600)         | (17,833)                        | (17,548,433)        |
| <b>Total comprehensive loss for the year</b>             | <b>-</b>              | <b>-</b>                          | <b>(386,941)</b>                              | <b>-</b>                 | <b>(17,530,600)</b>  | <b>(62,145)</b>                 | <b>(17,979,686)</b> |
| Shares issued during the year (net of share issue costs) | 19,097,773            | -                                 | -                                             | -                        | -                    | -                               | 19,097,773          |
| Share based payments                                     | -                     | 187,996                           | -                                             | -                        | -                    | -                               | 187,996             |
| Derecognition of Panax Pharma s.r.o.                     | -                     | -                                 | -                                             | 382,404                  | -                    | 18,528                          | 400,932             |
| Transfer of expired share based payments                 | -                     | (7,031,096)                       | -                                             | -                        | 7,031,096            | -                               | -                   |
| Conversion of convertible note                           | 500,000               | -                                 | -                                             | -                        | -                    | -                               | 500,000             |
| <b>Balance at 30 June 2024</b>                           | <b>123,288,573</b>    | <b>1,298,937</b>                  | <b>(71,535)</b>                               | <b>-</b>                 | <b>(129,668,423)</b> | <b>(672,372)</b>                | <b>(5,824,820)</b>  |

The accompanying notes form part of these financial statements

Annual Report for the year ended 30 June 2024

**Consolidated Statement of Cash Flows**

For the year ended 30 June 2024

|                                                                  |      | 30-Jun-24           | 30-Jun-23           |
|------------------------------------------------------------------|------|---------------------|---------------------|
|                                                                  | Note | \$                  | \$                  |
| <b><i>Cash flows from operating activities</i></b>               |      |                     |                     |
| Receipts from customers                                          |      | 1,398,193           | 3,959,182           |
| Payments to suppliers and employees                              |      | (13,522,196)        | (13,794,361)        |
| Payments for research expenses                                   |      | (2,541,431)         | (2,262,030)         |
| Research and development rebate                                  |      | -                   | 371,215             |
| Government grants and tax paid                                   |      | 6,000               | (2,018)             |
| Interest received                                                |      | -                   | 240                 |
| Interest paid                                                    |      | (3,057)             | (257,403)           |
| <b>Net cash used in operating activities</b>                     | 24)  | <b>(14,662,491)</b> | <b>(11,985,175)</b> |
| <b><i>Cash flows from investing activities</i></b>               |      |                     |                     |
| Government grant received relating to plant and equipment        |      | -                   | 796,066             |
| Purchase of plant and equipment / assets under construction      |      | (140,123)           | (189,871)           |
| <b>Net cash provided by (used in) investing activities</b>       |      | <b>(140,123)</b>    | <b>606,195</b>      |
| <b><i>Cash flows from financing activities</i></b>               |      |                     |                     |
| Proceeds from issue of shares and conversion of options          |      | 15,941,552          | 3,086,803           |
| Proceeds from borrowings                                         |      | -                   | 6,948,106           |
| Payment of lease liabilities                                     |      | (238,679)           | (200,955)           |
| Partial repayment of loan by third party                         |      | -                   | 216,338             |
| Transaction costs on issue of shares                             |      | (436,552)           | (317,838)           |
| <b>Net cash provided by financing activities</b>                 |      | <b>15,266,321</b>   | <b>9,732,454</b>    |
| <b>Net increase (decrease) in cash and cash equivalents held</b> |      | <b>463,707</b>      | <b>(1,646,526)</b>  |
| Cash and cash equivalents at beginning of year                   |      | 239,821             | 1,886,347           |
| Foreign exchange movement in cash                                |      | (658)               | -                   |
| <b>Cash and cash equivalents at end of year</b>                  | 7)   | <b>702,870</b>      | <b>239,821</b>      |

The accompanying notes form part of these financial statements

## Notes to the Financial Statements

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## Notes to the Financial Statements

### 1. CORPORATE INFORMATION

The financial statements of Argent BioPharma Ltd for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of Directors on 30 September 2024. These consolidated financial statements and notes represent those of Argent BioPharma Ltd (the "Company") and Controlled Entities (the "consolidated group" or "Group"). Argent BioPharma Ltd is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"), OTCQB and the main segment of the London Stock Exchange ("LSE"). The registered office of the Company is Suite 1, 295 Rokeby Road, Subiaco, WA 6008, Australia.

Argent BioPharma Ltd (LSE: RGT, ASX: RGT, OTCQB: RGTLF) is an innovative multidisciplinary drug development Company within the biopharmaceutical sector. The Company focuses on multidisciplinary methods with Nanotechnology, developing multi-target therapies for comprehensive disease management, especially concerning the Central nervous system ("CNS") and Immunology treatments.

The Company's founders and executives are key figures in the global pharmaceuticals industry and the core business strategy is to develop and supply high quality plant inspired medicines for the growing demand in the medical markets in Europe, North America and UK.

Argent BioPharma has a robust development pipeline targeting two widespread medical conditions and has further products under development.

Argent BioPharma has partnered with renowned institutions and academia to optimise the development of targeted plant inspired medicines, to be produced in the Company's EU-GMP Certified manufacturing facilities.

Argent BioPharma has a growing patient base in Australia, the UK, Brazil, and Ireland and has a global distribution footprint via an extensive network of commercial partners meaning that it is poised to supply the global market.

### 2. MATERIAL ACCOUNTING POLICIES

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

#### Basis of preparation

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

#### Financial report prepared on a going concern basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2024, the Group had a cash and cash equivalents balance of \$702,870 and had a net working capital deficit of \$9,435,864, which included convertible notes with a face value of \$8,679,515. The Group incurred a loss for the year ended 30 June 2024 of \$17,548,433 and had net cash outflows from operating and investing activities of \$14,802,614.

The Group's cashflow forecast for the 12 months ending 30 September 2025 indicates that the Group will require additional capital to refinance existing debt and fund ongoing corporate expenditure and working capital requirements.

## Notes to the Financial Statements

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue its planned operations, meet its obligations as and when they fall due and thus continue as a going concern, for the following reasons:

- On 29 July 2022 the Group entered into a new convertible securities finance agreement ("the second agreement") with Mercer Street Global Opportunity Fund, LLC ("the investor") to provide the Group with a funding facility of up to a total of US\$10,000,000. At the date of this report, convertible note funding of US\$4,733,120 has been received under this agreement in seven tranches.
- Any further drawdown of funds under the second agreement is at the investor's discretion, and the Company has sufficient capacity under Chapter 7 of the ASX Listing Rules to issue the convertible notes, or shareholder approval being obtained.
- During July 2024, Argent BioPharma raised US\$2,500,000 through the issue of 3,125,000 fully paid ordinary shares at US\$0.80 (~A\$1.20) per share (Placement Shares). The placement participants will also be issued one (1) free attaching warrant for every two (2) Placement Shares subscribed for which is exercisable at US\$1.20 (~A\$1.80) each.
- The ability of the Group to raise additional capital in the form of debt and/or equity as part of the future plan.

The ability of the Group to continue as a going concern is dependent on:

- The Group being able to secure additional debt and/or equity funding as and when required during the next 12 months to conduct its planned activities and meet its corporate expenditure requirements.
- The Group's current fundraising and commitment to further reducing overheads, as well as the opportunity to restructure or varying the repayment terms with Mercer to extend the maturity date for the currently past due secured convertible notes held by Mercer in the aggregate outstanding amount of A\$8,679,515.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

### Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Argent BioPharma Limited ('company or parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Argent BioPharma Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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.

## Notes to the Financial Statements

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Foreign Currency

#### *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.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars 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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## Notes to the Financial Statements

### a) Trade Receivables and Other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### b) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

## Notes to the Financial Statements

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### c) Impairment of Non-Financial Assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### d) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### e) Government Grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

## Notes to the Financial Statements

### f) 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 tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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 tax authority, are presented as operating cash flows.

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

### g) Leases

#### *Group as Lessee*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

#### *Lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Notes to the Financial Statements

### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of office rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **h) Associates**

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### **i) Provisions**

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### **j) Employee benefits**

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## Notes to the Financial Statements

### k) Other significant accounting policies

Refer to the relevant notes to the financial statements for other accounting policies, including revenue (note 4), income taxes (note 6), government grants (note 4), cash and cash equivalents (note 7) inventory (note 8), plant and equipment (note 10), share-based payments (note 28) and employee benefits (note 27).

### l) Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### m) New and amended Accounting Standards and Interpretations adopted by the Group

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### a) Share based payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 28 for further information.

### b) Valuation of financial liabilities valued at fair value through profit or loss

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 15 for further information.

## Notes to the Financial Statements

### c) Leases

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### d) Impairment assessment of non-current assets

The consolidated entity assesses impairment of non-current assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

### e) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

### f) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

### g) Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

## 4. REVENUE RECOGNITION

The consolidated entity recognises revenue as follows:

### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

## Notes to the Financial Statements

### *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

### *Rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

### *Interest*

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

### *Rent*

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### **a) Revenue from contracts with customers**

Pharma sales  
Consulting services (*clinical research fees and clinic consults*)  
Non-pharma sales

| 30-Jun-24<br>\$ | 30-Jun-23<br>\$  |
|-----------------|------------------|
| 804,832         | 2,506,782        |
| -               | 6,967            |
| 86,251          | 873,818          |
| <b>891,083</b>  | <b>3,387,567</b> |

#### **b) Finance income**

Interest income calculated using the effective interest rate method

|              |            |
|--------------|------------|
| 1,929        | 240        |
| <b>1,929</b> | <b>240</b> |

#### **c) Other operating income**

Government grants

|                |                |
|----------------|----------------|
| 727,963        | 555,544        |
| <b>727,963</b> | <b>555,544</b> |

## Notes to the Financial Statements

### 5. COST OF SALES AND EXPENSES

|                                                            | Note | 30-Jun-24<br>\$    | 30-Jun-23<br>\$   |
|------------------------------------------------------------|------|--------------------|-------------------|
| <b>a) Cost of sales</b>                                    |      |                    |                   |
| Cost of goods sold - Pharma                                |      | 631,336            | 1,862,942         |
| Cost of sales – Consulting services                        |      | -                  | 6,296             |
| Cost of goods sold – Non-pharma                            |      | 56,050             | 68,139            |
|                                                            |      | <b>687,386</b>     | <b>1,937,377</b>  |
| <b>b) Administrative expenses</b>                          |      |                    |                   |
| Corporate costs                                            |      | 463,278            | 339,514           |
| Professional and consultancy fees                          |      | 3,177,544          | 1,218,177         |
| Board fees                                                 |      | 521,278            | 918,469           |
| Staff costs                                                |      | 3,434,781          | 4,353,879         |
| Employee shares and share based payment expense            |      | 3,643,996          | 2,656,885         |
| IR/PR Expenses                                             |      | 2,145,956          | 968,226           |
| Advertising and Marketing                                  |      | 269,262            | 862,713           |
| Depreciation and amortisation                              |      | 1,293,795          | 751,938           |
| Office and administrative expenses                         |      | 606,340            | 1,273,591         |
|                                                            |      | <b>15,556,230</b>  | <b>13,343,392</b> |
| <b>c) Other operating expenses</b>                         |      |                    |                   |
| Inventory write-off                                        |      | 507,847            | 99,365            |
| Laboratory operating expenses                              |      | 568,573            | 779,849           |
| Receivables write-off                                      |      | 19,347             | -                 |
|                                                            |      | <b>1,095,767</b>   | <b>879,214</b>    |
| <b>d) Other expenses</b>                                   |      |                    |                   |
| Unrealised foreign exchange                                |      | -                  | 16,253            |
| Realised foreign exchange                                  |      | (832,226)          | 1,200,398         |
| Loss on disposal Panax                                     |      | 1,256,190          | -                 |
|                                                            |      | <b>423,964</b>     | <b>1,216,651</b>  |
| <b>e) Reversal of (Impairment expense)</b>                 |      |                    |                   |
| Impairment of goodwill                                     |      | -                  | 3,145,724         |
| Reversal of (Impairment of equity investment)              |      | (1,341,465)        | 1,231,245         |
| Impairment of financial assets                             |      | -                  | 155,971           |
|                                                            |      | <b>(1,341,465)</b> | <b>4,532,940</b>  |
| <b>f) Finance cost</b>                                     |      |                    |                   |
| Finance costs                                              |      | 482,474            | 262,257           |
|                                                            |      | <b>482,474</b>     | <b>262,257</b>    |
| <b>g) Fair value movement on financial instruments</b>     |      |                    |                   |
| Fair value loss on financial liability – convertible notes | 15   | -                  | 131,409           |
|                                                            |      | <b>-</b>           | <b>131,409</b>    |

## Notes to the Financial Statements

### 6. INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

#### *Tax Consolidation*

The Company and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 21 October 2005. The tax consolidated group has entered a tax funding agreement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contributions to the Group's taxable income.

The Group has carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

## Notes to the Financial Statements

|                                                                                                                                                                           | 30-Jun-24<br>\$   | 30-Jun-23<br>\$   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>a) Major components of income tax expense for the periods presented:</b>                                                                                               |                   |                   |
| Current tax                                                                                                                                                               | -                 | 2,018             |
| Deferred tax                                                                                                                                                              | -                 | -                 |
| Income tax expense                                                                                                                                                        | -                 | 2,018             |
| <b>b) The prima facie tax on (loss) before income tax is reconciled to the income tax as follows:</b>                                                                     |                   |                   |
| Prima facie tax payable on (loss) before income tax at 25%                                                                                                                | (4,387,109)       | (5,282,879)       |
| Adjustments due to permanent differences                                                                                                                                  | 1,245,412         | 1,860,385         |
| Deferred tax assets not brought to account                                                                                                                                | 3,278,861         | 3,422,494         |
| DTA not recognised (temporary)                                                                                                                                            | (137,163)         | 2,018             |
| Income tax expense                                                                                                                                                        | -                 | 2,018             |
| <b>c) Deferred Tax Assets Not Brought to Account in Australia, the benefits of which will only be realised if the conditions for deductibility set out above are met:</b> |                   |                   |
| Tax losses                                                                                                                                                                | 11,462,486        | 9,797,970         |
| Temporary differences                                                                                                                                                     | 441,429           | 363,744           |
| <b>Total</b>                                                                                                                                                              | <b>11,903,915</b> | <b>10,161,714</b> |

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

|              | 30-Jun-24<br>\$ | 30-Jun-23<br>\$ |
|--------------|-----------------|-----------------|
| Cash at bank | 702,870         | 239,821         |
|              | <b>702,870</b>  | <b>239,821</b>  |

## Notes to the Financial Statements

### 8. INVENTORY

Raw materials and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

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.

|                                                            | 30-Jun-24<br>\$ | 30-Jun-23<br>\$  |
|------------------------------------------------------------|-----------------|------------------|
| Finished goods – at lower of cost and net realisable value | 81,725          | 523,405          |
| Raw materials – at cost                                    | 793,395         | 839,097          |
|                                                            | <b>875,120</b>  | <b>1,362,502</b> |

### 9. TRADE AND OTHER RECEIVABLES

Trade receivables are generally due for settlement between thirty (30) and ninety (90) days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

|                    | 30-Jun-24<br>\$ | 30-Jun-23<br>\$ |
|--------------------|-----------------|-----------------|
| <b>Current</b>     |                 |                 |
| Trade receivables  | 140,344         | 208,742         |
| Other receivables  | 266,488         | 249,259         |
| GST/VAT receivable | 69,698          | 73,313          |
|                    | <b>476,530</b>  | <b>531,314</b>  |

Other receivables are non-interest bearing and are generally on terms of 30 days.

### 10. PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Buildings 40 years
- Leasehold improvements 3-10 years
- Plant and equipment 3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

## Notes to the Financial Statements

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

### Plant and equipment

- gross carrying amount at cost
- accumulated depreciation

| 30-Jun-24        | 30-Jun-23        |
|------------------|------------------|
| \$               | \$               |
| 9,786,051        | 10,043,479       |
| (4,124,448)      | (3,179,067)      |
| <b>5,661,603</b> | <b>6,864,412</b> |

### Property, plant and equipment movement

Opening balance at 1 July

Additions

Disposals

Depreciation

Foreign currency translation

| 30-Jun-24        | 30-Jun-23        |
|------------------|------------------|
| \$               | \$               |
| 6,864,412        | 6,664,798        |
| 140,123          | 189,871          |
| (19,784)         | -                |
| (1,076,489)      | (539,498)        |
| (246,659)        | 549,241          |
| <b>5,661,603</b> | <b>6,864,412</b> |

### Impairment testing

#### Slovenia

The Group did not identify any indicators of impairment in relation to the Slovenia CGU, primarily the GMP laboratory.

#### Malta

The Group's plant and equipment balance in Malta consisted of fully constructed manufacturing facility. This facility was granted a GMP Licence in March 2023. The Group did not identify any indicators of impairment in relation to the current facility.

## Notes to the Financial Statements

### 11. INTANGIBLE ASSETS AND GOODWILL

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

#### Goodwill

Opening balance at 1 July  
- Impairment

|  | 30-Jun-24 | 30-Jun-23   |
|--|-----------|-------------|
|  | \$        | \$          |
|  | -         | 3,145,724   |
|  | -         | (3,145,724) |
|  | -         | -           |

#### Impairment of MediCaNL Israel 2019 Ltd (MediCaNL)

On 21 April 2021, MGC Pharma completed the 100% acquisition of MediCaNL Israel 2019 Ltd (MediCaNL), an Israeli company operating and providing specialist services to the pharmaceutical sector for development of new medicines. Performance since acquisition has been lower than expected and the Group's impairment testing determined that the recoverable amount of the CGU was nil as at 30 June 2023 and recorded an impairment expense of \$3,145,724 in the profit and loss.

### 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

On 5 August 2022 the Company acquired 40% of the issued capital of ZAM Software Ltd, a private entity that owns a real-time data collection software with proprietary Artificial Intelligence (AI) algorithms.

The Company had recorded a full provision of impairment to the carrying value of ZAM Software Ltd due to the investment had contributed nil results to the Group's financial performance and uncertainty in providing funding to the project in prior period.

In the current period, the Company:

- had undertaken an independent valuation of ZAM Software Ltd using combination of market and income approach to determine the fair value less cost of disposal of the investment has exceeded its carrying value.
- had successfully completed capital raising to execute the necessary workplan as required for the investment.

The Company therefore concluded the impairment indicator is no longer present for ZAM Software Ltd and restate the previous carrying value of investment. This resulted a reversal of impairment amounting A\$1,341,465 being recognised in the profit or loss for the year ended 30 June 2024.

## Notes to the Financial Statements

## 13. PAYABLES AND DEFERRED REVENUE

## Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 days of recognition.

|                                            | 30-Jun-24<br>\$  | 30-Jun-23<br>\$  |
|--------------------------------------------|------------------|------------------|
| <b>a) Current trade and other payables</b> |                  |                  |
| Trade payables                             | 956,802          | 2,185,662        |
| Accruals                                   | 346,753          | 535,546          |
| Other payables                             | 1,415,608        | 582,618          |
|                                            | <b>2,719,163</b> | <b>3,303,826</b> |
| <b>b) Deferred revenue - Current</b>       |                  |                  |
| Deferred revenue – Malta grant*            | 553,606          | 658,133          |
|                                            | <b>553,606</b>   | <b>658,133</b>   |
| <b>c) Deferred revenue – Non-Current</b>   |                  |                  |
| Deferred revenue – Malta grant*            | 3,598,439        | 4,277,865        |
|                                            | <b>3,598,439</b> | <b>4,277,865</b> |

\* During the year ending June 2021, the Group received approval for a grant from Malta Enterprises to cover 80% of the construction costs of a production facility, to the value of €3,073,000 (\$4,925,000). As at 30 June 2024, an amount of €2,908,000 had been received from Malta Enterprise.

In accordance with AASB 120, the grant is being recognised as income on a systematic basis over the useful life of the building once completed. Under the conditions of the grant, the Group was to complete construction of the facility within 6 months of 10 December 2020 and, should the Group cease operations in Malta within five years from the start of operations, Malta Enterprise retains the right to take possession of assets funded through the grant. In March 2021 the Group received approval from Malta Enterprise to extend the period for completion of construction to October 2021. Construction was completed in October 2021 and the facility was issued a GMP licence in March 2023.

## Notes to the Financial Statements

## 14. LEASES

As of the reporting date, the Group holds a long-term lease for its Cimetra production facility in Malta.

Additionally, the Group has lease agreements for office and laboratory space in Slovenia.

Below are the carrying amounts of right-of-use assets recognised for the period:

|                                            | 30-Jun-24<br>\$  | 30-Jun-23<br>\$ |
|--------------------------------------------|------------------|-----------------|
| <b>Right-of-use assets</b>                 |                  |                 |
| Opening balance at 1 July                  | 588,677          | 2,133,685       |
| Additions of right-of-use assets in period | 809,430          | 217,527         |
| Depreciation of right-of-use assets        | (217,306)        | (212,439)       |
| Decrease on early termination of lease     | (116,012)        | (1,628,799)     |
| Foreign exchange                           | (6,116)          | 78,703          |
| <b>Closing balance</b>                     | <b>1,058,673</b> | <b>588,677</b>  |

Below are the carrying amounts of lease liabilities for the period:

|                                        | 30-Jun-24<br>\$  | 30-Jun-23<br>\$ |
|----------------------------------------|------------------|-----------------|
| <b>Lease liabilities</b>               |                  |                 |
| Opening balance at 1 July              | 575,139          | 2,252,608       |
| Additions to lease liabilities         | 809,430          | 217,527         |
| Interest on lease liabilities          | 38,494           | 173,014         |
| Lease payments                         | (238,679)        | (373,969)       |
| Decrease on early termination of lease | (127,545)        | (1,790,155)     |
| Foreign exchange                       | (12,115)         | 96,114          |
| <b>Closing balance</b>                 | <b>1,044,724</b> | <b>575,139</b>  |
| Current                                | 223,813          | 190,570         |
| Non-current                            | 820,911          | 384,569         |
| <b>Total lease liability</b>           | <b>1,044,724</b> | <b>575,139</b>  |

The following amounts were recognised in the consolidated statement of profit or loss and comprehensive income for the period:

|                                                   | 30-Jun-24<br>\$ | 30-Jun-23<br>\$ |
|---------------------------------------------------|-----------------|-----------------|
| Depreciation on right-of-use asset                | 217,306         | 212,439         |
| Interest expense on lease liabilities             | 38,494          | 173,014         |
| Expense related to short-term leases              | 23,707          | 38,844          |
| <b>Total amounts recognised in profit or loss</b> | <b>279,507</b>  | <b>424,297</b>  |

The following are amounts recognised in the consolidated statement of cash flows:

|                                | 30-Jun-24<br>\$ | 30-Jun-23<br>\$ |
|--------------------------------|-----------------|-----------------|
| Total cash outflows for leases | 238,679         | 200,955         |

## Notes to the Financial Statements

### 15. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

#### Convertible notes

##### Australian dollar denominator facility

In September 2020, the Company entered into a convertible note financing facility with Mercer Street Global Opportunity Fund (Mercer), under which up to A\$15,000,000 can be drawn down in exchange for the issue of a number of convertible notes with a face value of A\$1.00 each equal to 110% of the amount of funding received. The facility expired on 8 March 2022 and can no longer be drawn on. The notes drawn under this facility were repayable at face value 12 months from the date of the respective draw down, if not converted or repurchased prior to maturity.

On 1 February 2023, the Company executed an agreement to extend the maturity date of the A\$2,100,000 convertible notes on issue, which has extended the maturity date of these convertible notes to 1 February 2024 (**2020 Extension Agreement**).

The notes are convertible at the discretion of Mercer at any time prior to maturity, with a conversion price as follows:

- The conversion price will be the lower of A\$35.00 or 92% of the lowest daily VWAP of the Company's shares selected by Mercer over the 10 trading days on which the Company's shares are traded on the ASX immediately prior to the issue of the conversion notice, subject to the conversion price being no less than A\$10.00.

During the period, the Company executed a Deed of Variation with Mercer Street Global Opportunity Fund, LLC (Mercer) in respect of the convertible securities agreement entered into between the Company and Mercer in 2020. This included the refinancing of 500,000 convertible notes from the 2020 convertible note facility, which totalled \$2,100,000. A commercial agreement was reached by which the minimum conversion price of 500,000 of the convertible notes was reduced from not less than \$10.00 to not less than \$0.35.

##### US dollar denominated facility

In July 2021, the Company entered into a convertible note financing facility with Mercer Street Global Opportunity Fund (Mercer), under which up to US\$10,000,000 can be drawn down in exchange for the issue of a number of convertible notes with a face value of US\$1.00 each equal to 110% of the amount of funding received. The facility expires on 18 January 2024. The notes are repayable at face value 18 months from the date of the respective draw down, if not converted or repurchased prior to maturity (**US\$ Con Note Facility**).

Between 19 July 2022 and 7 March 2023, the Company drew down US\$4,733,120 (A\$7,581,350) in funding from the US\$ Con Note Facility, issuing Mercer 4,733,120 US\$1.00 convertible notes. The US\$ convertible notes are convertible at the discretion of Mercer at any time prior to maturity, with a conversion price as follows:

- The conversion price will be the lower of A\$20.00 or 90% of the lowest daily VWAP of the Company's shares selected by Mercer over the 10 trading days on which the Company's shares are traded on the ASX immediately prior to the issue of the conversion notice, subject to the conversion price being no less than A\$10.00.

The convertible notes are determined to be hybrid financial instruments and have been designated as at fair value through profit or loss.

The Company still intends to reach additional agreements with Mercer to amend the terms of the remaining 2020 convertible note facility and the 2022 convertible note facility.

## Notes to the Financial Statements

|                                                                   | 30-Jun-24<br>\$  | 30-Jun-23<br>\$  |
|-------------------------------------------------------------------|------------------|------------------|
| <b>Financial liabilities at fair value through profit or loss</b> |                  |                  |
| <i>Convertible notes</i>                                          |                  |                  |
| Opening balance – at 1 July                                       | 9,179,515        | 2,100,000        |
| Issue of Convertible notes                                        | -                | 6,948,106        |
| Converted to ordinary shares                                      | (500,000)        | -                |
| Loss on remeasurement of financial liability                      | -                | 131,409          |
| <b>Closing balance – fair value at 30 June</b>                    | <b>8,679,515</b> | <b>9,179,515</b> |

The fair value (Level 3) of the hybrid contract was determined using valuation techniques including use of a Black-Scholes option pricing model, with estimates of projected conversion prices and the following significant inputs to the valuation at 30 June 2024:

|                             | Australian dollar<br>facility | US dollar<br>facility |
|-----------------------------|-------------------------------|-----------------------|
| Valuation date              | 30 June 2024                  | 30 June 2024          |
| Share price                 | \$0.26                        | \$0.26                |
| Exercise price <sup>1</sup> | \$10.00 to \$35.00            | \$10.00 to \$35.00    |
| Expiry date                 | Feb 24                        | Feb 24 - Sep 25       |
| Expected future volatility  | 250%                          | 250%                  |
| Risk free rate              | 3.00%                         | 3.00%                 |
| Dividend yield              | nil                           | nil                   |

<sup>1</sup> calculated using a weighted average of \$0.030

## 16. CONTRIBUTED EQUITY AND RESERVES

## a) Contributed equity

Ordinary shares are classified as equity.

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

|                                      | 30-Jun-24<br>NUMBER | 30-Jun-23<br>NUMBER | 30-Jun-24<br>\$    | 30-Jun-23<br>\$    |
|--------------------------------------|---------------------|---------------------|--------------------|--------------------|
| Ordinary shares on issue, fully paid | 45,280,202          | 3,350,692,950       | 123,288,573        | 103,690,800        |
|                                      | 45,280,202          | 3,350,692,950       | <b>123,288,573</b> | <b>103,690,800</b> |

## Annual Report for the year ended 30 June 2024

## Notes to the Financial Statements

*Reconciliation of movement in share capital*

|                                                                                                       | No. of Shares     | Issue Price | Amount             |
|-------------------------------------------------------------------------------------------------------|-------------------|-------------|--------------------|
| Opening balance of 1 July 2023                                                                        | 3,350,692,950     |             | 103,690,800        |
| Shares issued per placement – 14 July 2023                                                            | 541,666,667       | 0.0023      | 1,245,833          |
| Shares issued per share purchase plan applications – 1 September 2023                                 | 362,608,570       | 0.0023      | 834,000            |
| Shares issued per share purchase plan shortfall offer to employees and consultants – 6 September 2023 | 173,000,000       | 0.0023      | 346,000            |
| Total shares on issue before consolidation                                                            | 4,427,968,187     |             |                    |
| Consolidation of capital 1000:1 basis – 2 November 2023                                               | (4,423,537,696)   |             |                    |
| Share issued per placement – 7 November 2023                                                          | 31,000,000        | 0.400       | 12,400,000         |
| Issue of shares in lieu of cash – 30 November 2023                                                    | 484,771           | 0.690       | 334,492            |
| Issue of shares to Mercer – 30 November 2023                                                          | 576,369           | 0.694       | 400,000            |
| Issue of shares to Employees under ESS – 9 January 2024                                               | 3,880,000         | 0.5500      | 2,134,000          |
| Issue of shares to Bioheka – 9 January 2024                                                           | 2,000,000         | 0.5500      | 1,100,000          |
| Issue of shares to December 23 Raise Participants – 09 January 2024                                   | 1,480,000         | 0.5000      | 740,000            |
| Conversion of Mercer Convertible notes – 28 March 2024                                                | 1,428,571         | 0.3500      | 500,000            |
| Less: Costs of issue                                                                                  |                   |             | (436,552)          |
| <b>Closing balance at 30 June 2024</b>                                                                | <b>45,280,202</b> |             | <b>123,288,573</b> |

<sup>1</sup> Consolidation reduction balance also includes effect of fractional entitlement issues resulting from the consolidation

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At a shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value.

**Capital risk management**

The Group's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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 to reduce debt.

Consistent with others in the industry, the Group manages its capital by assessing the Group's financial risk and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The Group is not subject to any externally imposed capital requirements.

## Notes to the Financial Statements

## b) Reserves

## i. Share Based Payment Reserve

|                                          | 30-Jun-24<br>\$  | 30-Jun-23<br>\$  |
|------------------------------------------|------------------|------------------|
| Opening balance at 1 July                | 8,142,037        | 7,924,264        |
| Exercise of performance rights           | -                | (8,000)          |
| Transfer of expired share-based payments | (7,031,096)      | -                |
| Share based payments                     | 187,996          | 225,773          |
|                                          | <b>1,298,937</b> | <b>8,142,037</b> |

## ii. Foreign currency translation reserve

|                                                          | 30-Jun-24<br>\$ | 30-Jun-23<br>\$ |
|----------------------------------------------------------|-----------------|-----------------|
| Opening balance at 1 July                                | 315,406         | (610,591)       |
| Currency translation differences arising during the year | (386,941)       | 925,997         |
|                                                          | <b>(71,535)</b> | <b>315,406</b>  |

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. The reserve is recognised in profit and loss when the net investment is disposed of.

## 17. DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

No dividends have been paid or provided in 2024 and 2023 financial year.

## Notes to the Financial Statements

### 18. EARNINGS PER SHARE

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Argent BioPharma Limited, 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 financial year.

#### *Diluted earnings per share*

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

|                                                                                      | 30-Jun-24    | 30-Jun-23     |
|--------------------------------------------------------------------------------------|--------------|---------------|
| <b>Earning per share</b>                                                             |              |               |
| Basic loss per share (cents)                                                         | (47.36)      | (0.71)        |
| Diluted loss per share (cents)                                                       | (47.36)      | (0.71)        |
| <b>Reconciliation of earnings to profit or loss</b>                                  | \$           | \$            |
| (Loss) used in calculating basic and diluted EPS                                     | (17,530,600) | (20,823,584)  |
| <b>Earnings per share</b>                                                            |              |               |
| Basic loss per share (cents)                                                         | (47.36)      | (0.71)        |
| Diluted loss per share (cents)                                                       | (47.36)      | (0.71)        |
| <b>Reconciliation of earnings to profit or loss</b>                                  | \$           | \$            |
| (Loss) used in calculating basic and diluted EPS                                     | (17,530,600) | (20,823,584)  |
| <b>Weighted average number of ordinary shares and potential ordinary shares</b>      | Number       | Number        |
| Weighted average number of ordinary shares used in calculating basic and diluted EPS | 37,012,466   | 2,947,177,984 |

At 30 June 2024, the Company had the following convertible securities on issue: performance rights 306,500 (2023: 18,400,000), options 17,680,275 (2023: 284,028,101) and convertible notes face value of A\$1,600,000 and US\$5,206,432. Given the Group made a loss during the current financial year, these potential shares are considered non-dilutive and therefore not included in the diluted EPS calculation.

## Notes to the Financial Statements

### 19. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

The Group's financial instruments consist mainly of cash at bank, payables, receivables and the convertible notes.

The Group has not formulated any specific management objectives and policies in respect to debt financing, derivatives or hedging activity. As a result, the Group has not formulated any specific management objectives and policies in respect to these types of financial instruments. Should the Group change its position in the future, a considered summary of these policies will be disclosed at that time.

The Group's current exposure to the risk of changes in the market is managed by the Board of Directors.

#### Market risks

The Group is exposed to a variety of financial risks through its financial instruments for example, interest rate risk, liquidity risk and credit risk, equity price risk on the convertible notes, as well as foreign currency risk.

#### Interest rate risk

At reporting date, other than leases and the convertible notes carried at fair value, the Group does not have long term borrowings and its exposure to interest rate risk is assessed as low. The group monitors its interest rate risk through sensitivity analysis, as outlined below.

The consolidated group's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets of the Group are summarised in the following tables:

|                              | Floating<br>interest rate | 1 Year or<br>less | Over 1 to<br>5 years | Over 5<br>Years | Non-<br>interest<br>bearing | Remaining<br>contractual<br>maturities | Weighted<br>average<br>interest<br>rate |
|------------------------------|---------------------------|-------------------|----------------------|-----------------|-----------------------------|----------------------------------------|-----------------------------------------|
|                              | \$                        | \$                | \$                   | \$              | \$                          | \$                                     | %                                       |
| <b>30-Jun-24</b>             |                           |                   |                      |                 |                             |                                        |                                         |
| <b>Financial assets</b>      |                           |                   |                      |                 |                             |                                        |                                         |
| Cash and cash equivalents    | 702,870                   | 702,870           | -                    | -               | -                           | 702,870                                | <b>0.10%</b>                            |
| Trade and other receivables  | -                         | -                 | -                    | -               | 476,530                     | 476,530                                |                                         |
|                              | <b>702,870</b>            | <b>702,870</b>    | -                    | -               | <b>476,530</b>              | <b>1,179,400</b>                       |                                         |
| <b>Financial liabilities</b> |                           |                   |                      |                 |                             |                                        |                                         |
| Trade and other payables     | -                         | -                 | -                    | -               | 2,719,163                   | 2,719,163                              |                                         |
| Convertible notes            | -                         | -                 | -                    | -               | 8,679,515                   | 8,679,515                              |                                         |
| Lease liabilities            | -                         | 223,813           | 820,911              | -               | -                           | 1,044,724                              |                                         |
|                              | -                         | <b>223,813</b>    | <b>820,911</b>       | -               | <b>11,398,678</b>           | <b>12,443,402</b>                      |                                         |
| <b>30-Jun-23</b>             | \$                        | \$                | \$                   | \$              | \$                          | \$                                     | %                                       |
| <b>Financial assets</b>      |                           |                   |                      |                 |                             |                                        |                                         |
| Cash and cash equivalents    | 239,821                   | 239,821           | -                    | -               | -                           | 239,821                                | 0.10%                                   |
| Trade and other receivables  | -                         | -                 | -                    | -               | 531,314                     | 531,314                                |                                         |
|                              | <b>239,821</b>            | <b>239,821</b>    | -                    | -               | <b>531,314</b>              | <b>771,135</b>                         |                                         |
|                              |                           |                   |                      |                 |                             |                                        |                                         |
| Trade and other payables     | -                         | -                 | -                    | -               | 3,303,826                   | 3,303,826                              |                                         |
| Convertible notes            | -                         | -                 | -                    | -               | 9,179,515                   | 9,179,515                              |                                         |
| Lease liabilities            | -                         | 190,570           | 347,412              | 37,157          | -                           | 575,139                                |                                         |
|                              | -                         | <b>190,570</b>    | <b>347,412</b>       | <b>37,157</b>   | <b>12,483,341</b>           | <b>13,058,480</b>                      |                                         |

## Notes to the Financial Statements

<sup>1</sup> The initial investment amount for the convertible notes represented a 10% discount to their face value. As the notes are accounted for at fair value through profit or loss, the Group would have exposure to fair value movements arising from changes in market interest rates.

At 30 June 2024 and 2023, a reasonably possible change in interest rates would not have resulted in a material change to the Group's post-tax loss or net assets for the year.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors forecast cash flows on regular basis to manage its liquidity risk.

### Credit risk

Management has assessed the credit risk exposure as minimal at reporting date. Credit risk arises from exposure to trade receivables, deposits with banks and other receivables, the balances of which at 30 June 2024 represent the Group's maximum exposure to credit risk. Management monitors its exposure to ensure recovery and repayment of outstanding amounts. Cash deposits are only made with reputable banking institutions.

### Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD (\$), GBP (£), Euro (€), and ILS (₪).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

The consolidated entity has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency. The board manages the purchase of foreign currency to meet operational requirements.

The consolidated entity's exposure to foreign currency risk at the reporting date was not material. A reasonably possible change in the value of the Australian dollar against the above currencies at 30 June would not have had a material effect on the Group's post-tax loss or net assets.

## 20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

## Notes to the Financial Statements

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

The following table presents the Group's financial assets and liabilities measured and recognised at fair value.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### 30 June 2024

#### Financial assets

Other financial assets (equity investments)

#### Closing balance at 30 June 2024

#### Financial liabilities

Other financial liabilities (convertible note)

#### Closing balance at 30 June 2024

| Level 1 | Level 2 | Level 3   | Total     |
|---------|---------|-----------|-----------|
| \$      | \$      | \$        | \$        |
| -       | -       | -         | -         |
| -       | -       | -         | -         |
| -       | -       | 8,679,515 | 8,679,515 |
| -       | -       | 8,679,515 | 8,679,515 |

### 30 June 2023

#### Financial assets

Other financial assets (equity investments)

#### Closing balance at 30 June 2023

#### Financial liabilities

Other financial liabilities (convertible note)

#### Closing balance at 30 June 2023

| Level 1 | Level 2 | Level 3   | Total     |
|---------|---------|-----------|-----------|
| \$      | \$      | \$        | \$        |
| -       | -       | -         | -         |
| -       | -       | -         | -         |
| -       | -       | 9,179,515 | 9,179,515 |
| -       | -       | 9,179,515 | 9,179,515 |

#### a) Valuation techniques used to derive Level 1 fair values

The fair value of financial instruments recognised under Level 1 are measured based on the active market value, determined in this case by the value a third party is willing to pay for the assets.

#### b) Valuation techniques used to derive Level 3 fair values

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Refer to note 15 for additional disclosures on the other financial liabilities accounted for at fair value through profit or loss.

#### c) Fair value of other financial instruments

The Group also has a number of financial instruments that are not measured at fair value in the balance sheet. The carrying value of cash, trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature.

## Notes to the Financial Statements

### 21. CONTROLLED ENTITIES

The consolidated financial statements of the Group include:

|                                                            | Country of incorporation | Percentage Owned (%)* |           |
|------------------------------------------------------------|--------------------------|-----------------------|-----------|
|                                                            |                          | 30-Jun-24             | 30-Jun-23 |
| <b>Parent Entity:</b>                                      |                          |                       |           |
| Argent BioPharma Ltd                                       | Australia                |                       |           |
| <b>Subsidiaries of Argent BioPharma Ltd:</b>               |                          |                       |           |
| Argent BioPharma (UK) Limited                              | UK                       | 100                   | 100       |
| Argent BioPharma Research (Aus) Pty Ltd                    | Australia                | 100                   | 100       |
| Medicinal Cannabis Clinics Pty Ltd                         | Australia                | 100                   | 100       |
| <b>Subsidiaries of Argent BioPharma (UK) Limited:</b>      |                          |                       |           |
| Argent BioPharma d.o.o                                     | Slovenia                 | 100                   | 100       |
| Panax Pharma s.r.o.                                        | Czech Republic           | -                     | 87        |
| Meta- Medix d.o.o                                          | Slovenia                 | 100                   | 100       |
| MGC Pharmaceuticals (sro)                                  | Czech Republic           | 54                    | 54        |
| MedicaNL Israel 2019 Ltd                                   | Israel                   | -                     | 100       |
| MGC Pharma (Malta) Holdings Limited                        | Malta                    | 100                   | 100       |
| MGC Pharma (Malta) R&D Limited                             | Malta                    | 100                   | 100       |
| <b>Subsidiaries of MGC Pharma (Malta) Holdings Limited</b> |                          |                       |           |
| MGC Pharma (Malta) Property Limited                        | Malta                    | 100                   | 100       |
| MGC Pharma (Malta) Operations Limited                      | Malta                    | 100                   | 100       |
| <b>Subsidiaries of MGC Pharmaceuticals (sro)</b>           |                          |                       |           |
| MGC Pharmaceuticals Ltd (Russia)                           | Russia                   | 100                   | 100       |

\* Percentage of voting power in proportion to ownership

During the period, no new entities were incorporated or acquired. Due to an effort to improve our cost base, and reduce overheads, it was decided that, as of October 5, 2023, Panax no longer aligns with the Company's strategy and is no longer part of the group, with shares transferred to the local partner. In January 2024, MedicaNL ceased operations, and following the most recent audit, the entity has now been formally closed. Aside from these changes, there have been no other adjustments to subsidiary holdings since the prior year.

### 22. SEGMENT REPORTING

The Group identifies operating segments on the basis of internal reports about components of the Group that are regularly reviewed in order to allocate resources to the segments and to assess their performance.

Geographic information on the Group's revenue by location of operations for the period and total assets at 30 June 2024 is as follows:

|                     | Malta<br>\$ | Israel<br>\$ | Slovenia and<br>others<br>\$ | Australia<br>\$ |
|---------------------|-------------|--------------|------------------------------|-----------------|
| <b>30 June 2024</b> |             |              |                              |                 |
| Sales revenue       | 13,212      | -            | 440,443                      | 437,428         |
| Total assets        | 5,324,371   | -            | 3,627,345                    | 1,835,664       |
| <b>30 June 2023</b> |             |              |                              |                 |
| Sales revenue       | -           | 7,098        | 2,846,926                    | 533,543         |
| Total assets        | 6,412,025   | 28,170       | 2,228,708                    | 1,314,748       |

## Notes to the Financial Statements

## 23. CONTINGENCIES AND COMMITMENTS

There have been no significant changes to commitments and contingent liabilities as at 30 June 2024.

## 24. CASH FLOW INFORMATION

**Reconciliation of Cash Flow from Operations with Loss after Income Tax**

|                                                                                   | 30-Jun-24<br>\$     | 30-Jun-23<br>\$     |
|-----------------------------------------------------------------------------------|---------------------|---------------------|
| (Loss) after income tax                                                           | (17,548,433)        | (21,133,535)        |
| Cash flows excluded from loss attributable to operating activities                |                     |                     |
| Non-cash flows in loss                                                            |                     |                     |
| Depreciation and amortisation                                                     | 1,293,795           | 751,937             |
| Gain on lease modifications                                                       | -                   | (161,356)           |
| Share based payment expense                                                       | 3,643,996           | 2,656,885           |
| Loss on financial liabilities at fair value                                       | -                   | 131,409             |
| Impairment of intangible assets                                                   | -                   | 3,145,724           |
| (Reversal of) Impairment of equity investment                                     | (1,341,465)         | 1,231,245           |
| Impairment of unlisted investment                                                 | -                   | 155,971             |
| Other non-cash operating items                                                    | 400,000             | (216,338)           |
| Other non-trading income                                                          | -                   | (528,213)           |
| Exchange differences                                                              | 276,336             | (88,636)            |
| Changes in assets and liabilities, net of the effects of purchase of subsidiaries |                     |                     |
| Decrease / (increase) in inventory                                                | 487,382             | 475,301             |
| Decrease / (increase) in trade and other receivables                              | (234,003)           | 1,405,800           |
| Increase / (decrease) in trade payables and accruals                              | (1,640,099)         | 188,631             |
| <b>Cash flow used in operations</b>                                               | <b>(14,662,491)</b> | <b>(11,985,175)</b> |

## 25. AUDITOR'S REMUNERATION

**Fees to Hall Chadwick**

|                                                                                                                                                           | 30-Jun-24<br>\$ | 30-Jun-23<br>\$ |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities | 220,500         | 140,000         |
| Fees for other services                                                                                                                                   |                 |                 |
| - Tax compliance services                                                                                                                                 | 18,653          | 14,918          |
| <b>Total auditor's remuneration</b>                                                                                                                       | <b>239,153</b>  | <b>154,918</b>  |

## Notes to the Financial Statements

### 26. PARENT COMPANY DISCLOSURES

The financial information for the parent entity, Argent BioPharma Ltd, has been prepared on the same basis as the consolidated financial statements.

#### i) Summary of financial information

The individual financial statements for the parent entity show the following aggregate amounts:

|                                              | 30-Jun-24<br>\$     | 30-Jun-23<br>\$    |
|----------------------------------------------|---------------------|--------------------|
| Current assets                               | 737,725             | 227,872            |
| Non-current assets                           | 21,060,821          | 18,735,115         |
| <b>Total Assets</b>                          | <b>21,798,546</b>   | <b>18,962,987</b>  |
| Current liabilities                          | 10,108,276          | 10,570,460         |
| <b>Total Liabilities</b>                     | <b>10,108,276</b>   | <b>10,570,460</b>  |
| Contributed equity                           | 123,288,573         | 103,690,800        |
| Share based payment reserve                  | 1,298,937           | 8,142,037          |
| Accumulated losses                           | (112,897,240)       | (103,440,310)      |
| <b>Total Equity</b>                          | <b>11,690,270</b>   | <b>8,392,527</b>   |
| <b>Loss for the year</b>                     | <b>(16,488,026)</b> | <b>(6,190,340)</b> |
| <b>Total comprehensive loss for the year</b> | <b>(16,488,026)</b> | <b>(6,190,340)</b> |

#### ii) Commitments and contingent liabilities of the parent

The parent entity did not have any contingent liabilities or commitments as at 30 June 2024 (30 June 2023: nil) other than as disclosed at note 23.

#### iii) Guarantees entered into the parent entity

There were no guarantees entered into by the parent entity.

## Notes to the Financial Statements

### 27. RELATED PARTY TRANSACTIONS

#### a) Key Management Personnel Remuneration

##### Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

|                              | 30-Jun-24<br>\$ | 30-Jun-23<br>\$ |
|------------------------------|-----------------|-----------------|
| Short-term employee benefits | 541,518         | 918,469         |
| Share-based payments         | 27,834          | -               |
|                              | <b>569,352</b>  | <b>918,469</b>  |

#### b) Transactions with Director related entities

Directors and officers, or their personally related entities, hold positions in other entities that result in them having controls or significant influence over the financial or operating policies of those entities.

Refer to the remuneration report contained in the directors' report for details of non-remuneration related transactions including amounts receivable and payable at the end of the year.

### 28. SHARE BASED PAYMENTS

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

## Notes to the Financial Statements

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### a) Performance Rights

#### 2024

On 19 January 2024, the Company rewarded key employees via the issuance of 306,000 Performance Rights.

#### 2023

No performance rights were issued during the year.

#### Reconciliation of Performance Rights

| Opening Balance | Granted as compensation <sup>i</sup> | Exercised | Lapsed and other changes <sup>1</sup> | Outstanding at 30 June | Outstanding and Exercisable at 30 June |
|-----------------|--------------------------------------|-----------|---------------------------------------|------------------------|----------------------------------------|
| <b>2024</b>     |                                      |           |                                       |                        |                                        |
| 18,400,000      | 306,000                              | -         | (18,399,500)                          | 306,500                | 306,500                                |
| <b>2023</b>     |                                      |           |                                       |                        |                                        |
| 68,875,000      | -                                    | 1,800,000 | (48,475,000)                          | 18,400,000             | 18,400,000                             |

<sup>1</sup> Share consolidation 1000:1

### b) Options

#### 2024

A total of 240,000 incentive options were granted to directors Daniel Robinson and Layton Mills as part of the board's incentive plan.

#### 2023

No options have been issued.

## Notes to the Financial Statements

## Table of share-based payment options

| Description                                                       | Opening Balance    | Granted           | Exercised | Lapsed and other changes <sup>1</sup> | Closing Balance   |
|-------------------------------------------------------------------|--------------------|-------------------|-----------|---------------------------------------|-------------------|
| Unlisted options exercisable at \$0.05 expiring 31 Aug 2023       | 16,300,000         | -                 | -         | 16,300,000                            | -                 |
| Unlisted options exercisable at \$0.06 expiring 31 Aug 2023       | 17,500,000         | -                 | -         | 17,500,000                            | -                 |
| Unlisted options exercisable at \$0.07 expiring 31 Aug 2023       | 17,500,000         | -                 | -         | 17,500,000                            | -                 |
| Unlisted options exercisable at £0.02 expiring 1 Dec 2024         | 9,000,000          | -                 | -         | 8,991,000 <sup>1</sup>                | 9,000             |
| Unlisted options exercisable at \$0.013 expiring 30 Jun 2025      | 50,000,000         | -                 | -         | 49,950,000 <sup>1</sup>               | 50,000            |
| Unlisted options exercisable at £1.20 expiring 14 July 2026       | -                  | 540,668           | -         | -                                     | 540,668           |
| Unlisted options exercisable at \$0.013 expiring 31 July 2026     | -                  | 181,422           | -         | -                                     | 181,422           |
| Unlisted option exercisable at \$1.00 expiring 10 January 2027    | -                  | 740,000           | -         | -                                     | 740,000           |
| Unlisted option exercisable at \$0.42 expiring 28 March 2027      | -                  | 240,000           | -         | -                                     | 240,000           |
| Unlisted options exercisable at US\$0.32 expiring 7 November 2028 | -                  | 15,500,000        | -         | -                                     | 15,500,000        |
| Unlisted options exercisable at \$0.86 expiring 1 December 2028   | -                  | 288,185           | -         | -                                     | 288,185           |
| Unlisted options exercisable at \$0.70 expiring 1 March 2029      | -                  | 131,000           | -         | -                                     | 131,000           |
| <b>TOTAL</b>                                                      | <b>110,300,000</b> | <b>17,621,275</b> | <b>-</b>  | <b>(110,241,000)</b>                  | <b>17,680,275</b> |

<sup>1</sup> Share consolidation 1000:1**Share-based payment expense**

For the year ended 30 June 2024, the Group has recognised \$3,643,996 of share-based payment expenses in the statement of profit or loss (30 June 2023: \$1,339,385) relating to share-based payments and issuance of shares to directors and employees.

## Notes to the Financial Statements

### 29. EVENTS AFTER THE REPORTING DATE

Subsequent to year end, the Company had the following events for disclosure:

- The Company advised shareholders that the Australian Securities Exchange (**ASX**) had provided its formal approval for the Company to delist from the official list of the ASX. A lack of liquidity, difficulties fundraising and listing costs all contributed to the decision and conjunctionally, the Company believes it is better suited to an LSE listing. The Company will provide updates to shareholders as the delisting date eventuates.
- Argent BioPharma announced a strategic collaboration with SINTEF, one of Europe's largest independent research organisations, to address the critical and unmet clinical challenge of chronic wound management, through nano-formulations as part of the Company's ongoing expansion into new therapeutic areas.
- During July 2024, Argent BioPharma raised US\$2,500,000 through the issue of 3,125,000 fully paid ordinary shares at US\$0.80 (~A\$1.20) per share (Placement Shares). The placement participants will also be issued one (1) free attaching warrant for every two (2) Placement Shares subscribed for which is exercisable at US\$1.20 (~A\$1.80) each.

**Consolidated Entity Disclosure Statement**

As at 30 June 2024

| Entity name                                                | Entity Type    | Place formed/<br>Country of<br>incorporation | Ownership<br>interest % | Tax<br>residency |
|------------------------------------------------------------|----------------|----------------------------------------------|-------------------------|------------------|
| Argent BioPharma Ltd                                       | Body corporate | Australia                                    | -                       | Australia        |
| <b>Subsidiaries of Argent BioPharma Ltd:</b>               |                |                                              |                         |                  |
| Argent BioPharma (UK) Limited                              | Body corporate | UK                                           | 100                     | UK               |
| Argent BioPharma Research (Aus) Pty Ltd                    | Body corporate | Australia                                    | 100                     | Australia *      |
| Medicinal Cannabis Clinics Pty Ltd                         | Body corporate | Australia                                    | 100                     | Australia *      |
| <b>Subsidiaries of Argent BioPharma (UK) Limited:</b>      |                |                                              |                         |                  |
| Argent BioPharma d.o.o                                     | Body corporate | Slovenia                                     | 100                     | Slovenia         |
| Panax Pharma s.r.o.                                        | Body corporate | Czech Republic                               | -                       | Czech Republic   |
| Meta- Medix d.o.o                                          | Body corporate | Slovenia                                     | 100                     | Slovenia         |
| MGC Pharmaceuticals (sro)                                  | Body corporate | Czech Republic                               | 54                      | Czech Republic   |
| MedicaNL Israel 2019 Ltd                                   | Body corporate | Israel                                       | -                       | Israel           |
| MGC Pharma (Malta) Holdings Limited                        | Body corporate | Malta                                        | 100                     | Malta            |
| MGC Pharma (Malta) R&D Limited                             | Body corporate | Malta                                        | 100                     | Malta            |
| <b>Subsidiaries of MGC Pharma (Malta) Holdings Limited</b> |                |                                              |                         |                  |
| MGC Pharma (Malta) Property Limited                        | Body corporate | Malta                                        | 100                     | Malta            |
| MGC Pharma (Malta) Operations Limited                      | Body corporate | Malta                                        | 100                     | Malta            |
| <b>Subsidiaries of MGC Pharmaceuticals (sro)</b>           |                |                                              |                         |                  |
| MGC Pharmaceuticals Ltd (Russia)                           | Body corporate | Russia                                       | 100                     | Russia           |

\* Argent BioPharma Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

## Notes to the Financial Statements

### Directors' Declaration

The Directors of the Company declare that in their opinion:

1. The financial statements and notes, as set out in pages 22 to 60, are in accordance with the *Corporations Act 2001* and:
  - a) comply with Accounting Standards and the Corporations Regulations 2001;
  - b) are in accordance with International Financial Reporting Standards, as stated in note 2a to the financial statements;
  - c) give a true and fair view of the consolidated group's financial position as at 30 June 2024 and its performance for the year ended on that date; and
  - d) representations made throughout the Directors report are fair and reasonable.
2. The Directors have been given the declaration required by section 295A of the Corporations Act 2001.
3. The remuneration disclosures contained in the Remuneration Report comply with s300A of the Corporations Act 2001.
4. The information disclosed in the attached consolidated entity disclosure statement is true and correct.
5. In the Directors opinion, subject to the matters set out in note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Roby Zomer  
Managing Director  
Dated 30 September 2024

**ARGENT BIOPHARMA LTD  
ABN 30 116 800 269  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ARGENT BIOPHARMA LTD**

**Report on the Financial Report**

**Opinion**

We have audited the financial report of Argent Biopharma Ltd (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, consolidated entity disclosure statement and the director's declaration.

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

- (i) giving a true and fair view of the group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

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

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

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 in the financial statements which indicates that the group incurred a loss after tax of \$17,548,433 during the year ended 30 June 2024 and as of that date, the group's total liabilities exceeded its total assets by \$9,435,864. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

| ADELAIDE                                                          | BRISBANE                                                            | DARWIN                                                             | MELBOURNE                                                               | PERTH                                                             | SYDNEY                                                          |
|-------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|
| Level 9<br>50 Pirie Street<br>Adelaide SA 5000<br>+61 8 7093 8283 | Level 4<br>240 Queen Street<br>Brisbane QLD 4000<br>+61 7 2111 7000 | Level 1<br>48-50 Smith Street<br>Darwin NT 0800<br>+61 8 8943 0645 | Level 14<br>440 Collins Street<br>Melbourne VIC 3000<br>+61 3 9820 6400 | Level 11<br>77 St Georges Tce<br>Perth WA 6000<br>+61 8 6557 6200 | Level 40<br>2 Park Street<br>Sydney NSW 2000<br>+61 2 9263 2600 |

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

[www.hallchadwick.com.au](http://www.hallchadwick.com.au)

ARGENT BIOPHARMA LTD  
ABN 30 116 800 269  
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ARGENT BIOPHARMA LTD

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 year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How Our Audit Addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Carrying value of non-current assets</b></p> <p><i>Refer to note 10 plant and equipment, note 12 investments accounted for using the equity method and note 3 critical accounting estimates and judgements</i></p> <p>As required by Australian Accounting Standards, the group is required to perform impairment testing on the carrying value of non-current assets when there is objective evidence indicate the asset is impaired.</p> <p>The group performed impairment testing on its carrying value of plant and equipment and identified no impairment as at 30 June 2024.</p> <p>The group performed impairment testing on its equity-accounted investment in ZAM Software Ltd and concluded the previous impairment indicator is no longer present, resulting in a reversal of \$1,341,465 impairment recognised in the current period.</p> <p>We considered this to be a key audit matter because of the significant judgment and estimates involved in determining the recoverable amount of these assets, including assumptions relating to future revenues, operating and capital costs, the discount rate use to reflect the risk associated with the forecast cash flows which are affected by future events and economic conditions.</p> | <p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Ensured the group's impairment methodology was in accordance with the requirements of the applicable Australian Accounting Standards.</li><li>• Attended various sites and inspected the physical condition of the assets held at the laboratory and manufacturing facility on a sample basis.</li><li>• Evaluated management's key assumptions used in the cash flows forecasts to determine the recoverable amount of these assets, including the involvement of our valuation experts to review the mathematical accuracy of the cash flows forecasts, discount rates and terminal value growth rates where applicable.</li><li>• Concurred with management's assessment to the reversal of the impairment relating to investment in ZAM Software Ltd and recalculated the accuracy of amount is recognised correctly in the current year.</li><li>• Assessed the adequacy of the group's disclosures in relation to the impairment of non-current assets and investments accounted for using the equity method.</li></ul> |

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2024, 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.

**ARGENT BIOPHARMA LTD  
ABN 30 116 800 269  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ARGENT BIOPHARMA LTD**

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

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

***Responsibilities of the Directors for the Financial Report***

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

In preparing the financial report, the directors are responsible for assessing the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

ARGENT BIOPHARMA LTD  
ABN 30 116 800 269  
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ARGENT BIOPHARMA LTD

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the communication with the directors, we determined those matters that were of most significant in the audit of the financial report for the current period and are therefore the key audit matters. We have described these matters in our auditor's report unless laws or regulations precludes public disclosure about the matter, or when in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

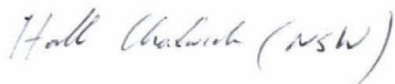
**Report on the Remuneration Report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Argent Biopharma Ltd for the year ended 30 June 2024 complies with s 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 s 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.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



ANTHONY TRAVERS  
Partner

Dated: 30 September 2024

## Additional ASX Information

### Additional ASX Information

#### EXCHANGE LISTING

Argent BioPharma Ltd shares are listed on the Australian Securities Exchange under ASX code RGT. The Company is also listed on the London Stock Exchange via the trading of depositary interests and the OTCQB, under code RGT and RTGLF respectively.

#### SUBSTANTIAL SHAREHOLDERS (HOLDING MORE THAN 5%)

| Name                     | Number of Fully Paid Ordinary Shares | Voting Power |
|--------------------------|--------------------------------------|--------------|
| Oak Capital Partners LLC | 8,370,718                            | 17.29%       |
| Group Capital LLC        | 3,913,812                            | 8.09%        |
| David Safren             | 3,405,016                            | 7.03%        |

#### CLASS OF SHARES AND VOTING RIGHTS

At 6 September 2024, there were 9,140 holders of 48,405,602 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

- a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and
- c. on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

#### ESCROWED SECURITIES

There are currently no escrowed securities on issue.

#### CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

#### RANGE OF ORDINARY SHARES AS AT 6 SEPTEMBER 2024

| Range            | Total Holders | Shares            | %             |
|------------------|---------------|-------------------|---------------|
| 1 - 1,000        | 8,695         | 824,038           | 1.70          |
| 1,001 - 5,000    | 305           | 645,065           | 1.33          |
| 5,001 – 10,000   | 49            | 345,462           | 0.71          |
| 10,001 – 100,000 | 52            | 1,609,685         | 3.33          |
| 100,001 and Over | 39            | 44,981,352        | 92.93         |
| <b>Total</b>     | <b>9,140</b>  | <b>48,405,602</b> | <b>100.00</b> |

The number of shareholders holding less than a marketable parcel is 8,822.

## Additional ASX Information

## UNLISTED SECURITIES AS AT 6 SEPTEMBER 2024

| Securities                                                        | Number of Securities on issue | Number of Holders | Name of Holders holding more than 20%     | Number Held        |
|-------------------------------------------------------------------|-------------------------------|-------------------|-------------------------------------------|--------------------|
| Unlisted options exercisable at £20.00 expiring 1 Dec 2024        | 9,000                         | 1                 | Jim Nominees Limited                      | 9,000              |
| Unlisted options exercisable at \$13.00 expiring 30 Jun 2025      | 50,000                        | 1                 | Mercer Street Global Opportunity Fund LLC | 50,000             |
| Unlisted options exercisable at £1.20 expiring 14 July 2026       | 540,668                       | 11                | Orca Capital GMBH                         | 166,668            |
| Unlisted options exercisable at \$0.013 expiring 31 July 2026     | 181,422                       | 241               | -                                         |                    |
| Unlisted option exercisable at \$1.00 expiring 10 January 2027    | 740,000                       | 3                 | Jacob Goldstein<br>Shayeh Greenfield      | 518,000<br>148,000 |
| Unlisted option exercisable at \$0.42 expiring 28 March 2027      | 240,000                       | 2                 | Layton Mills<br>Daniel Robinson           | 120,000<br>120,000 |
| Unlisted warrant exercisable at US\$1.20 expiring 3 July 2027     | 312,500                       | 1                 | A1 Invest LLC                             |                    |
| Unlisted warrant exercisable at US\$1.20 expiring 17 July 2027    | 1,250,000                     | 1                 | Oak Capital Partners LLC                  | 1,250,000          |
| Unlisted options exercisable at US\$0.32 expiring 7 November 2028 | 15,500,000                    | 32                | -                                         |                    |
| Unlisted options exercisable at \$0.86 expiring 1 December 2028   | 288,185                       | 1                 | Mercer Street Global Opportunity Fund LLC | 288,185            |
| Unlisted options exercisable at \$0.70 expiring 1 March 2029      | 131,000                       | 17                | -                                         |                    |
| Convertible Notes                                                 | 6,806,432                     | 1                 | Mercer Street Global Opportunity Fund LLC | 6,806,432          |
| Performance Rights                                                | 324,400                       | 15                | -                                         |                    |

## TOP 20 SHAREHOLDERS AS AT 6 SEPTEMBER 2024

| Rank | Name                                         | Number of Shares | % of Shares |
|------|----------------------------------------------|------------------|-------------|
| 1    | OAK CAPITAL PARTNERS LLC                     | 8,370,718        | 17.29       |
| 2    | GROUP CAPITAL LLC                            | 3,913,812        | 8.09        |
| 3    | DAVID SAFREN                                 | 3,405,016        | 7.03        |
| 4    | CITICORP NOMINEES PTY LIMITED                | 2,301,084        | 4.75        |
| 5    | SHLOMIE BIERMAN                              | 2,230,874        | 4.61        |
| 6    | COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C> | 2,099,936        | 4.34        |
| 7    | ISAMAR MARGARETEN                            | 1,956,906        | 4.04        |
| 8    | MR SHACHAR SHIMONY                           | 1,933,000        | 3.99        |
| 9    | YAAKOV SAFREN                                | 1,643,802        | 3.40        |
| 10   | JACOB GOLDSTEIN                              | 1,623,072        | 3.35        |
| 11   | YORAM DRUCKER                                | 1,604,664        | 3.32        |
| 12   | YOSEF SAFREN                                 | 1,565,526        | 3.23        |
| 13   | SHALOM SAFREN                                | 1,448,112        | 2.99        |
| 14   | BIOHEKA LIMITED                              | 1,258,500        | 2.60        |
| 15   | MRS YIFAT STEUER                             | 1,117,194        | 2.31        |
| 16   | ELIRON YARON                                 | 750,000          | 1.55        |
| 17   | A1 INVEST LLC                                | 625,000          | 1.29        |

**Additional ASX Information**

|                                                           |                      |                   |              |
|-----------------------------------------------------------|----------------------|-------------------|--------------|
| <b>18</b>                                                 | MR ITAY DAVID NISSIM | 600,000           | 1.24         |
| <b>19</b>                                                 | MR AMIR POLAK        | 592,626           | 1.22         |
| <b>20</b>                                                 | JOSEPH SCHWARTZ      | 547,934           | 1.13         |
| <b>Total</b>                                              |                      | <b>39,587,776</b> | <b>81.78</b> |
| <b>Total issued capital – selected security class(es)</b> |                      | <b>8,817,826</b>  | <b>18.22</b> |