

**Argenica Therapeutics Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	Argenica Therapeutics Limited
ABN:	78 637 578 753
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

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**2. Results for announcement to the market**

				\$
Other Income	up	437%	to	1,398,470
Loss from ordinary activities after tax attributable to the owners of Argenica Therapeutics Limited	down	11%	to	1,551,751
Loss for the half-year attributable to the owners of Argenica Therapeutics Limited	down	11%	to	1,551,751

*Dividends*

No interim dividend was paid or declared for the period ended 31 December 2022.

*Comments*

The loss for the company amounted to \$1,551,751 (31 December 2021: \$1,745,409).

*Review of operations*

The loss for the company after providing for income tax amounted to \$1,551,751 (31 December 2021: \$1,745,409).

Revenue during the period included a R&D tax incentive rebate of \$1,377,917 (31 December 2021: \$259,098) and interest income of \$20,553 (31 December 2021: \$1,330).

Operating expenses during the period principally related to research and developments costs of a neuroprotective therapeutic drug, employee expenses and corporate and administration expenses and non-cash share-based payments relating to the expensing of options issued to employees and contractors over their vesting period. Research and development costs increased by 79% compared to the prior half-year with the commencement of a first in human Phase 1 trial for the company's lead candidate ARG-007 and completion of preparatory safety and toxicology studies during the period.

Operating cash outflows for the half-year decreased to \$781,030 (31 December 2021: \$1,828,742) due to the receipt a larger R&D tax incentive rebate. Financing cash outflows for the period were \$5,775 being share issue transaction costs relating to a placement of shares completed in June 2022.

The company had a net asset position at 31 December 2022 of \$6,949,587 (30 June 2022: \$8,307,491). The net asset position included \$8,127,652 of cash and cash equivalents (30 June 2022: \$8,914,457) and a \$1,000 intangible asset (30 June 2022: \$1,000) being intellectual property associated with a neuroprotective therapeutic drug. On 14 February 2020, 10,000,000 ordinary shares were issued to the Intellectual Property vendors pursuant to an Assignment of Intellectual Property Agreement with the University of Western Australia and the Perron Institute for Neurological and Translational Science Ltd to assign the Intellectual Property associated with a neuroprotective therapeutic drug to the company, at an issue price of \$0.0001 per share and a total transaction value of \$1,000. The company has used the cash and assets in a form readily convertible to cash that it had at the time of admission to the ASX in a way consistent with its business objectives up to 31 December 2022.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It had limited impact on the company during the half-year.

As an early-stage company, the company's business model is highly dependent on the achievement of continued pre-clinical and clinical development success, future funding, regulatory approvals, customer engagement and general financial and economic factors.

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>7.99</u>	<u>7.22</u>

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### 4. Control gained over entities

Not applicable.

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### 5. Loss of control over entities

Not applicable.

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### 6. Details of associates and joint venture entities

Not applicable.

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### 7. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

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

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### 8. Attachments

*Details of attachments (if any):*

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

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### 9. Signed

Signed  \_\_\_\_\_

Date: 27 February 2023

Geoff Pocock  
Director  
Perth

# **Argenica Therapeutics Limited**

**ABN 78 637 578 753**

**Interim Report – 31 December 2022**

**Argenica Therapeutics Limited**  
**Directors' report**  
**31 December 2022**

The directors present their report, together with the financial statements, on Argenica Therapeutics Limited (referred to hereafter as the 'company') for the half-year ended 31 December 2022.

**Directors**

The following persons were directors of Argenica Therapeutics Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Geoff Pocock  
Dr Liz Dallimore  
Dr Sam South  
Ms Liddy McCall  
Mr Terry Budge

**Principal activities**

During the period the principal continuing activities of the company consisted of research and development of a neuroprotective therapeutic drug.

**Review of operations**

The loss for the company after providing for income tax amounted to \$1,551,751 (31 December 2021: \$1,745,409).

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The impact of the Coronavirus (COVID-19) pandemic is ongoing. It had limited impact on the company during the half-year.

As an early-stage company, the company's business model is highly dependent on the achievement of continued pre-clinical and clinical development success, future funding, regulatory approvals, customer engagement and general financial and economic factors.

**Significant changes in the state of affairs**

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

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial periods.

**Argenica Therapeutics Limited**  
**Directors' report**  
**31 December 2022**

**Rounding of amounts**

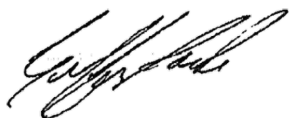
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain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

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



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Geoff Pocock  
Director

27 February 2023  
Perth



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**AUDITOR'S INDEPENDENCE DECLARATION**

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

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

RSM AUSTRALIA PARTNERS

TUTU PHONG  
Partner

Perth, WA  
Dated: 27 February 2023

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## **Argenica Therapeutics Limited**

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### **General information**

The financial statements cover Argenica Therapeutics Limited as an individual entity. The financial statements are presented in Australian dollars, which is Argenica Therapeutics Limited's functional and presentation currency.

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

#### **Registered office**

Unit 4, 117 Broadway  
Nedlands WA 6009

#### **Principal place of business**

Unit 4, 117 Broadway  
Nedlands WA 6009

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

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

**Argenica Therapeutics Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2022**

	<b>Note</b>	<b>31 Dec 22</b> <b>\$</b>	<b>31 Dec 21</b> <b>\$</b>
<b>Revenue</b>			
Other income	3	1,398,470	260,428
<b>Expenses</b>			
Administration and corporate expenses		(308,461)	(276,625)
Employee expenses		(514,576)	(402,515)
Research and development costs		(1,933,109)	(1,081,863)
Finance costs		(228)	(73)
Share based payments		(193,847)	(244,761)
<b>Loss before income tax expense</b>		(1,551,751)	(1,745,409)
Income tax expense		-	-
<b>Loss after income tax expense for the period attributable to the owners of Argenica Therapeutics Limited</b>		(1,551,751)	(1,745,409)
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive loss for the period attributable to the owners of Argenica Therapeutics Limited</b>		<u>(1,551,751)</u>	<u>(1,745,409)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(1.79)	(2.39)
Diluted loss per share		(1.79)	(2.39)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**Argenica Therapeutics Limited**  
**Statement of financial position**  
**As at 31 December 2022**

	Note	31 Dec 22 \$	30 June 22 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		8,127,652	8,914,457
Other receivables		147,880	127,943
Total current assets		<u>8,275,532</u>	<u>9,042,400</u>
<b>Non-current assets</b>			
Intangibles		1,000	1,000
Total non-current assets		<u>1,000</u>	<u>1,000</u>
<b>Total assets</b>		<u>8,276,532</u>	<u>9,043,400</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,298,999	711,009
Employee benefits		27,946	24,900
Total current liabilities		<u>1,326,945</u>	<u>735,909</u>
<b>Total liabilities</b>		<u>1,326,945</u>	<u>735,909</u>
<b>Net assets</b>		<u>6,949,587</u>	<u>8,307,491</u>
<b>Equity</b>			
Issued capital	4	13,065,033	13,065,033
Reserves		939,961	746,114
Accumulated losses		<u>(7,055,407)</u>	<u>(5,503,656)</u>
<b>Total equity</b>		<u>6,949,587</u>	<u>8,307,491</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Argenica Therapeutics Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2022**

	<b>Note</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2021		8,051,013	208,638	(1,412,904)	6,846,747
Loss after income tax expense for the period		-	-	(1,745,409)	(1,745,409)
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive loss for the period		-	-	(1,745,409)	(1,745,409)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs		(11,697)	-	-	(11,697)
Share based payments		-	244,761	-	244,761
Balance at 31 December 2021		<u>8,039,316</u>	<u>453,399</u>	<u>(3,158,313)</u>	<u>5,334,402</u>

		<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2022		13,065,033	746,114	(5,503,656)	8,307,491
Loss after income tax expense for the period		-	-	(1,551,751)	(1,551,751)
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive loss for the period		-	-	(1,551,751)	(1,551,751)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs		-	-	-	-
Share based payments		-	193,847	-	193,847
Balance at 31 December 2022		<u>13,065,033</u>	<u>939,961</u>	<u>(7,055,407)</u>	<u>6,949,587</u>

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

**Argenica Therapeutics Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2022**

	<b>Note</b>	<b>31 Dec 22</b> \$	<b>31 Dec 21</b> \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and consultants (inclusive of GST)		<u>(2,179,272)</u>	<u>(2,089,096)</u>
		(2,179,272)	(2,089,096)
Interest received		20,553	1,330
Interest and other finance costs paid		(228)	(73)
Research and development tax rebate received		<u>1,377,917</u>	<u>259,098</u>
Net cash used in operating activities		<u>(781,030)</u>	<u>(1,828,742)</u>
 <b>Cash flows from financing activities</b>			
Share issue costs		<u>(5,775)</u>	<u>(8,852)</u>
Net cash used in financing activities		<u>(5,775)</u>	<u>(8,852)</u>
 Net decrease in cash and cash equivalents		(786,805)	(1,837,594)
Cash and cash equivalents at the beginning of the financial period		<u>8,914,457</u>	<u>7,144,195</u>
Cash and cash equivalents at the end of the financial period		<u><u>8,127,652</u></u>	<u><u>5,306,601</u></u>

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

**Note 1. Significant accounting policies**

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

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

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

**New or amended Accounting Standards and Interpretations adopted**

The company 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.

**Note 2. Operating segments**

The company identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is viewed by the Board of Directors.

The company is currently operating in one business segment being research and development of medical device technology and one geographic segment being Australia.

**Note 3. Revenue**

	31 Dec 22 \$	31 Dec 21 \$
<i>Other income</i>		
Research and development tax rebate	1,377,917	259,098
Interest income	20,553	1,330
Total	<u>1,398,470</u>	<u>260,428</u>

**Note 4. Equity - Issued capital**

	31 Dec 22 Shares	31 Dec 22 \$	30 June 22 Shares	30 June 22 \$
Ordinary shares - fully paid	<u>86,922,250</u>	<u>13,065,033</u>	<u>86,922,250</u>	<u>13,065,033</u>

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
<b>Opening balance on 1 July 2022</b>		86,922,250	-	13,065,033
		-	-	-
<b>Closing balance on 31 December 2022</b>		<u>86,922,250</u>		<u>13,065,033</u>

**31 Dec 2022**    **30 Jun 2022**  
**\$**                      **\$**

**Note 5. Equity - reserves**

Option reserve	<u>939,961</u>	<u>746,114</u>
	<u>939,961</u>	<u>746,114</u>

*Option reserve*

The option reserve records items recognised as expenses on the valuation of share options.

*Movements in reserves*

Movements in reserves during the half-year are set out below:

	No of Options	Value \$
<b>Balance at 1 July 2022</b>	10,000,000	746,114
<i>Prior period options vesting over multiple periods</i>	-	51,351
<i>New options issued during the half-year</i>		
- Options issued to contractor	125,000	29,034
- Options issued to key management personnel	2,000,000	113,462
<b>Balance at 31 December 2022</b>	<u>12,125,000</u>	<u>939,961</u>

**Note 6. Commitments**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>\$</b>	<b>\$</b>
<i>Corporate advisory services commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	56,000	30,000
	<u>56,000</u>	<u>30,000</u>

**Note 7. Contingent assets or liabilities**

There were no material changes to contingent liabilities or assets since 30 June 2022.

**Note 8. Dividends**

The directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2022.

**Note 9. Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial periods.

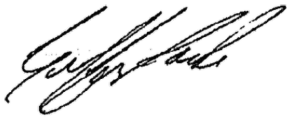
**Argenica Therapeutics Limited**  
**Directors' declaration**  
**31 December 2022**

In the directors' opinion:

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

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

On behalf of the directors



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Geoff Pocock  
Director

27 February 2023  
Perth



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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
ARGENICA THERAPEUTICS LIMITED**

**Report on the Half-Year Financial Report**

*Conclusion*

We have reviewed the accompanying half-year financial report of Argenica Therapeutics Limited (the Company), which comprises statement of financial position as at 31 December 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

*Basis for Conclusion*

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

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

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### *Directors' Responsibility for the Half-Year Financial Report*

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

### *Auditor's Responsibility*

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

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

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

RSM AUSTRALIA PARTNERS

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

TUTU PHONG  
Partner

Perth, WA  
Dated: 27 February 2023