Argenica Therapeutics Limited
(formerly Argenica Therapeutics Pty Ltd)

ABN 78 637 578 753

Annual Report – for the period 20 November 2019 (date of incorporation) to 30 June 2020

Argenica Therapeutics Limited
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on Argenica Therapeutics Limited (referred to hereafter as the 'company') for the financial period ended 30 June 2020. The financial period commenced on the company's date of incorporation 20 November 2019. This is the company's first set of financial statements.

Directors

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

Mr Geoff Pocock
Dr Sam South (appointed 24 March 2020)
Ms Elizabeth (Liddy) McCall (appointed 16 December 2020)
Mr Terry Budge (appointed 21 January 2021)

Principal activities

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

Dividends

There were no dividends paid, recommended or declared during the current period.

Review of operations

The loss for the company after providing for income tax amounted to $383,403.

Operating expenses during the period principally related to research and developments costs of a neuroprotective therapeutic drug, patent costs and administration expenses.

Operating cash outflows for the period were $58,817. Financing cash inflows for the period were $400,800 from the issue of 26,000,000 ordinary shares in the company at a range of issue prices per share as outlined in Note 8.

The company had a net asset position at 30 June 2020 of $18,397. The net asset position included a $1,000 intangible asset being intellectual property associated with a neuroprotective therapeutic drug.

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

On 29 January 2020, the company entered into 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. In consideration, the company issued 10,000,000 fully paid ordinary shares to the Intellectual Property vendors.

There were no other significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial period

The impact of the Coronavirus (COVID-19) pandemic is ongoing up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The company was formerly named Argenica Therapeutics Pty Ltd. On 17 December 2020, the company changed its name to Argenica Therapeutics Limited

On 13 October 2020, 3,750,000 ordinary shares were issued at an issue price of $0.08 per share raising $300,000.

On 17 December 2020, 2,912,500 ordinary shares were issued at an issue price of $0.08 per share raising $233,000.

On 17 December 2020, 213,750 ordinary shares were issued pursuant to a capital raising mandate at a deemed value of at $0.08 per share, resulting in share issue costs of $17,100.

On 31 December 2020, 4,828,000 ordinary shares were issued at an issue price of $0.125 per share raising $603,500.

On 31 December 2020, 168,000 ordinary shares were issued pursuant to a capital raising mandate at a deemed value of at $0.125 per share, resulting in share issue costs of $21,000.

Other than the above, no other matter or circumstance has arisen since 30 June 2020 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.

Likely developments and expected results of operations
Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Mr Geoff Pocock (appointed 20 November 2020)
Title:	Non-Executive Director
Qualifications:	B.Sc., LLB
Experience and expertise:	Geoff is an experienced strategy consultant and commercialisation professional, with over 20 years’ experience across the commercialisation process. Geoff’s experience has covered technical roles, executive management as well as significant corporate finance and strategy roles with a number of technology commercialisation ventures. Geoff is the Principal of Polaris Consulting (WA) Pty Ltd, a specialist boutique commercialisation strategy and corporate advisory business based in Western Australia. He is also currently an Executive Director of Osteopore Ltd (ASX:OSX), a Non-Executive Director of EMVision Medical Devices Ltd (ASX:EMV) and former Managing Director / Co-Founder of Hazer Group Limited (ASX: HZR).
Special responsibilities:	None

Name:	Dr Sam South (appointed 24 March 2020)
Title:	Executive Officer
Qualifications:	PhD, MBA, BSc (Hons), GAICD
Experience and expertise:	Sam is currently the Senior Commercialisation Officer (Life Sciences) in the Research Development & Innovation office at The University of Western Australia (UWA) and has over 12 years’ experience in technology transfer in medtech / biotech sector, at The University of Queensland (UQ), Queensland University of Technology and UWA. Sam has extensive background in medical research at Weill Medical College at Cornell University (NY), UQ and The Garvan Institute in CNS research. She was also the Preclinical Manager at TetraQ, a preclinical contract organisation, specialising in central nervous system animal models. Sam was the UWA Director on UWA spin-out companies MiReven Pty Ltd, Eridan Technologies Pty Ltd and OncoRes Medical Pty Ltd and is currently a Director of Rage Biotech Pty Ltd. Sam is also WA Ausbiotech Committee Chair, part of the Ausmedtech National Advisory Group and the SBE Life Sciences Council.
Special responsibilities:	None

Name:	Ms Elizabeth (Liddy) McCall (appointed 16 December 2020)
Title:	Non-Executive Director
Qualifications:	LLB., B.Juris, B.Com (Hons), GDipApFin (SIA), GAICD
Experience and expertise:	Liddy is co-founder of 3 biotechnology companies successfully achieving 3 FDA drug registrations and 1 FDA/CE Mark medical device approval. She is an inventor on patents granted in major jurisdictions translating novel G-protein coupled pharmacology into a therapeutic drug treatment currently in Phase 2 clinical trials. Liddy cofounded IIF venture capital fund, Yuuwa Capital LP, which is responsible for a portfolio of 6 companies commercializing biotechnology and IT innovation. Liddy has over 25 years of experience in senior Board and management roles including iCeutica Inc group (acquired in 2011) and Dimerix Bioscience Pty Ltd (now Dimerix Limited ASX:DXB) and iCetana Pty Ltd (now iCetana Limited ASX:ICE). Liddy was an Associate Director in the Corporate Advisory Group of Macquarie Bank and prior to that worked as a lawyer with a leading Australian law firm. She has qualifications in law and finance. Liddy is a non-executive director of the not-for profit Ear Science Institute Australia and also of Agworld Pty Ltd, Nexgen Plants Pty Ltd and The Tailor Made Spirits Company Limited.
Special responsibilities:	None

Name:	Mr Terry Budge (appointed 21 January 2021)
Title:	Non-Executive Director
Qualifications:	B.Ecs, FAICD
Experience and expertise:	Terry has significant experience in senior management and board roles. A long term banker he spent 25 years with National Australia Bank in senior executive roles before serving as Managing Director of Bankwest from 1997 to 2004. Since then he has had many non-executive director roles including Chancellor of Murdoch University from 2006 to 2013 (appointed to Senate 1 June 2004). Terry is currently an independent director for Westoz Investment Company Limited (ASX: WIC) and a director or Tiller Rides. Terry is a Graduate of the Advanced Management Program from Harvard Business School, a Graduate and Fellow of the Australian Institute of Company Directors (AICD) and a Senior Fellow of FINSIA.
Special responsibilities:	None

Company secretary

Emma Waldon has held the role of Company Secretary since 20 November 2020. Emma has diverse corporate advisory, capital markets and corporate governance experience having held roles in accounting and debt and equity capital markets in Australia and the United Kingdom. Emma qualified as a Chartered Accountant with Ernst & Young in Perth, worked as an Equities Analyst with Euroz Securities and spent 9 years in London with Bank of Scotland and Lloyds Bank originating and re-structuring debt finance for private equity leveraged buy-outs of businesses across Europe. Emma is currently Company Secretary of Emvision Medical Devices Ltd (ASX: EMV) and a number of private companies and was Company Secretary of Hazer Group Limited (ASX: HZR) until from prior to its IPO in December 2015 to December 2020. Emma has completed a Bachelor of Commerce at UWA, is a member of the Institute of Chartered Accountants of Australia and a Certificated Member of the Governance Institute of Australia.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full board	
	Attended	Held
Geoff Pocock	-	-
Sam South	-	-
Liddy McCall	-	-
Terry Budge	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Shares under options

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the company did not pay a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

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.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Geoff Pocock
Director

10 February 2021
Perth

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Argenica Therapeutics Limited for the period 20 November 2019 to 30 June 2020, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 10 February 2021

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 an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Suite 2, 29 The Avenue Nedlands, WA 6009	Suite 2, 29 The Avenue 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 10 February 2021. The directors have the power to amend and reissue the financial statements.

Argenica Therapeutics Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2020

	Note	2020 $
Revenue		
Interest income		249
Expenses		
Administration expenses		(20,574)
Research and development costs		(332,986)
Patent costs		(30,092)
Loss before income tax expense		(383,403)
Income tax expense	7	-
Loss after income tax expense for the period attributable to the owners of Argenica Therapeutics Limited		(383,403)
Other comprehensive income for the year, net of tax		-
Total comprehensive loss for the period attributable to the owners of Argenica Therapeutics Limited		(383,403)

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 30 June 2020

	Note	2020 $
Assets		
Current assets		
Cash and cash equivalents	3	341,984
Trade and other receivables	4	34,676
Total current assets		376,660
Non-current assets		
Intangibles	5	1,000
Total non-current assets		1,000
Total assets		377,660
Liabilities		
Current liabilities		
Trade and other payables	6	359,263
Total current liabilities		359,263
Total liabilities		359,263
Net assets		18,397
Equity		
Issued capital	8	401,800
Accumulated losses	9	(383,403)
Total equity		18,397

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 period ended 30 June 2020

	Issued capital $	Accumulated losses $	Total equity $
Balance at 20 November 2019 (Date of incorporation)	-	-	-
Lost after income tax expense for the period	-	(383,403)	(383,403)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period	-	(383,403)	(383,403)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 8)	401,800	-	401,800
Balance at 30 June 2020	401,800	(383,403)	18,397

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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 period ended 30 June 2020

	Note	2020 $
Cash flows from operating activities		
Payments to suppliers and consultants (inclusive of GST)		(58,965)
		(58,965)
Interest received		249
Withholding taxes paid		(101)
Net cash used in operating activities	14	(58,817)
Cash flows from financing activities		
Proceeds from issue of shares (net of transaction costs)		400,800
Net cash used in financing activities		400,800
Net increase/(decrease) in cash and cash equivalents		341,983
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	3	341,983

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out 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.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 16 Leases
The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption
There is no has no impact on the company from the adoption of the AASB 16.

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').

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.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Comparatives
There is no comparative information as the Company was incorporated 20 November 2019.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Argenica Therapeutics Limited'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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 1. Significant accounting policies (continued)

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: 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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

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.

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 company'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.

Note 1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the company'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.

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.

Trade 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 company 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.

Intangible assets
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.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

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.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period 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 30 days of recognition.

Note 1. Significant accounting policies (continued)

Issued capital
Ordinary shares are classified as equity.

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

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

Goods and Services Tax ('GST') and other similar taxes
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.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the company's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

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 period are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 3. Cash and cash equivalents

	2020 $
Cash at bank	341,984
	341,984

Note 4. Trade and other receivables

	2020 $
GST receivables	34,575
Withholding tax receivable	101
	34,676

Note 5. Intangibles

	2020 $
Patents - at cost	1,000
Less: Accumulated amortisation	-
	1,000
	1,000

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Patents $	Total $
Balance at 20 November 2019	-	-
Additions	1,000	1,000
Impairment of assets	-	-
Amortisation expense	-	-
Balance at 30 June 2020	1,000	1,000

Note 6. Trade and other payables

	2020 $
Trade payables	353,263
Accrued expenses	6,000
	359,263

Note 7. Income tax

The prima facie tax receivable on loss before income tax is reconciled to the income tax expense as follows

	2020 $
Prima facie benefit on operating loss at 27.5%	105,436
Tax losses not brought to account	(105,436)
Income tax benefit attributable to operating loss	-

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately $105,163 and has not been brought to account at reporting date because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as probable at this point in time. This benefit will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and research and development expenditure to be realised;
- the company continues to comply with the conditions for deductibility imposed by law; and no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and research and development expenditure.

Note 8. Issued capital

	2020 Shares	2020 $
Ordinary shares - fully paid	26,000,000	401,800

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	20 November 2019	-	-	-
Issue of shares on incorporation	20 November 2019	2,000,000	$0.0001	200
Issue of shares	13 February 2020	6,000,000	$0.0001	600
Issue of shares for assignment of intangible asset	14 February 2020	10,000,000	$0.0001	1,000
Issue of shares	15 February 2020	7,300,000	$0.05	365,000
Issue of shares	16 February 2020	700,000	$0.05	35,000
Balance	30 June 2020	26,000,000		401,800

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The company is not actively pursuing additional investments in the short term as it continues to grow its existing businesses.

Note 9. Accumulated losses

	2020 $
Accumulated losses at the beginning of the financial period	-
Loss after income tax expense for the period	(383,403)
Accumulated losses at the end of the financial period	(383,403)

Note 10. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	2020 $
Audit services – RSM Australia Partners	
Audit of the financial statements	6,000
	6,000

Note 11. Commitments

	2020 $
Research services commitments	
Committed at the reporting date but not recognised as liabilities, payable:	
Within one year	106,729
One to five years	106,729
	213,458

Note 12. Related party transactions

Key management personnel

Mr Geoff Pocock
Dr Sam South (appointed 24 March 2020)
Ms Elizabeth (Liddy) McCall (appointed 16 December 2020)
Mr Terry Budge (appointed 21 January 2021)

Transactions with related parties
The following transactions occurred with related parties:

	2020 $
Payment for goods and services:	
Payment for corporate services (including office space, utilities and administrative support) from Polaris Consulting Pty Ltd (a director-related entity of Geoff Pocock)	14,163

Receivable from and payable to related parties
There were no receivables from or payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 13. Key management personnel disclosures

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

	2020 $
Short-term employee benefits	-
Post-employment benefits	-
Long-term benefits	-
Share-based payments	-
	-

Note 14. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The company was formerly named Argenica Therapeutics Pty Ltd. On 17 December 2020, the company changed its name to Argenica Therapeutics Limited

On 13 October 2020, 3,750,000 ordinary shares were issued at an issue price of $0.08 per share raising $300,000.

On 17 December 2020, 2,912,500 ordinary shares were issued at an issue price of $0.08 per share raising $233,000.

On 17 December 2020, 213,750 ordinary shares were issued pursuant to a capital raising mandate at a deemed value of at $0.08 per share, resulting in share issue costs of $17,100.

On 31 December 2020, 4,828,000 ordinary shares were issued at an issue price of $0.125 per share raising $603,500.

On 31 December 2020, 168,000 ordinary shares were issued pursuant to a capital raising mandate at a deemed value of at $0.125 per share, resulting in share issue costs of $21,000.

Other than the above, no other matter or circumstance has arisen since 30 June 2020 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.

Note 15. Reconciliation of loss after income tax to net cash from operating activities

	2020 **$**
Loss after income tax expense for the period	(383,403)
Adjustments for:	
Non-cash expenditure	-
Change in operating assets and liabilities:	
Decrease/(increase) in trade and other receivables	(34,676)
Increase/(decrease) in trade and other payables	359,263
Net cash used in operating activities	(58,817)

Note 16. Non-cash investing and financing activities

Acquisition of intangible asset	1,000

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.

Note 17. Contingent assets or liabilities

There are no contingent assets or liabilities during the financial period.

Argenica Therapeutics Limited
Directors' declaration
30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial period 20 November 2019 to 30 June 2020;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Geoff Pocock
Director

10 February 2021
Perth

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

ARGENICA THERAPEUTICS LIMITED

Opinion

We have audited the financial report of Argenica Therapeutics Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 20 November 2019 to 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the period 20 November 2019 to 30 June 2020; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period 20 November 2019 to 30 June 2020 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 10 February 2021