Imunexus Therapeutics Limited

ABN 62 644 613 445

Annual Report - 30 June 2023

Directors	Philippa Lewis Donald Brumley John Gaffney (resigned 19 September 2023) Mr Christopher Elliot (appointed 28 September 2023)
Company secretary	Christopher Elliot
Registered office	La Trobe University LIMS2 Building Science Drive, Melbourne Bundoora VIC 3086
Principal place of business	La Trobe University LIMS2 Building Science Drive, Melbourne Bundoora VIC 3086
Auditor	BDO Audit Pty Ltd
Website	www.imunexus.com

The directors present their report, together with the financial statements, on the Company for the year ended 30 June 2023.

Directors
The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms Philippa Lewis
Mr Donald Charles Brumley
Mr John Gaffney (resigned 19 September 2023)
Mr Christopher Elliot (appointed 28 September 2023)

Company secretary
Mr Christopher Elliot

Principal activities
Imunexus Therapeutics Limited ('Imunexus') has developed a unique and novel "plug and play" protein engineering system that enables Imunexus to "turbocharge" existing antibodies. This is done via a large library of human, non-antibody protein "modules" known as imunexins. These modules have physical properties similar to those of the binding regions of monoclonal antibodies and can be designed to bind to any target of interest. Imunexin modules have been engineered so that they can be easily and quickly genetically fused to the constant heavy and/or constant light regions of an antibody (or any protein) without perturbation of either the parent antibody sequence or the imunexin. The original sequence and properties of the parent antibody are unchanged and still binds to its therapeutic target and the attached imunexins providing additional therapeutic specificities such as immune system activation, immune system suppression or extended half-life.

Review of operations
The loss for the Company after providing for income tax amounted to $1,123,720 (30 June 2022: $1,172,954).

Research and Development Programs
Imunexus' technology is based on small protein modules called "imunexins" that can be engineered to perform specific therapeutic functions. Importantly, imunexins have been purposefully engineered to allow a simple genetic fusion (attachment) to any protein, including therapeutic antibodies and enzymes, without affecting the properties of the recipient protein (including manufacturability). This forms the basis of the Company's modular "plug and play" bispecific crafting system. Attaching Imunexins to existing biologic-based drugs "converts" the drug into a bispecific, with the newly attached imunexin giving the original drug a second differentiating therapeutic function which will enhance the performance of the original drug.

The Company has developed 4 different imunexins which have been used to generate Imunexus' product pipeline with each type of imunexin imparting a different therapeutic function:

- **Immune Enhancing** – Imunexins that activate the body's immune system in close proximity to cancer cells (this imunexin was used to generate IMX101).
- **Half-life Extending** - Imunexins that extend the half-life of a drug by increasing the length of time the drug is maintained in the bloodstream allowing for a longer therapeutic potential (this imunexin was used to generate IMX113).
- **Immune Suppressing** - Imunexins that suppress aspects of the immune system to limit autoimmune mediated damage to tissues and organs (this imunexin is to be licensed by Mesoblast Ltd).
- **Disease Targeting** – Specific targeting imunexins that can direct drugs directly to the site of diseased tissue or disease activation (this imunexin is being used to generate IMX39).

These imunexins have been added to a number of select parent antibodies, antibody fragments, or enzymes to generate Imunexus' pipeline of 13 products.

Imunexus' lead product (IMX101) is a bispecific antibody treatment for small cell lung cancer (SCLC). SCLC is an unmet medical need with no effective treatment and no significant advance in treatment for over 30 years. An unmet medical need designation allows potential drugs to get to market faster with only limited human trials required. SCLC is a fatal, rapid disease associated with a history of smoking with an average survival rate 10 months with less than a 5% three-year survival rate. There is large global market estimated at more than $9 billion for China alone, with similar figures predicted for other smoking regions (Europe, India, Canada, South America, Middle East, Africa and many others).

IMX113 is for the treatment of Gaucher disease which is a rare paediatric genetic disorder. Although generally considered a rare disease, in individuals of Ashkenazi Jewish descent, the carrier frequency for Gaucher disease is estimated to be approximately 1 in 15, and the incidence at 1 in 450 to 1 in 850. Some sub-types of Gaucher disease involve neurological symptoms, and are much rarer, with the most severe form decreasing infant survival ranging from a few months to a few years. Current treatment is with the enzyme imiglucerase (sold under Cerezyme®) with the patent for imiglucerase to expire in 2029. However, imiglucerase only lasts in the bloodstream for approximately 7 minutes before it is removed by the body (i.e., it has a very short serum half-life) and requires intravenous infusion (IV) over several hours. In the United States (2022), the average cost of imiglucerase treatment for Gaucher disease ranged from USD$200,000 to $400,000 per year or even higher, for the lifetime of the patient.

In addition to developing the Company's internal drug products, Imunexus is also using its advanced imunexin technology to develop drugs with third parties. Imunexus has two existing partnerships with a third potential in discussion.

- **Mesoblast Ltd - Next generation mesenchymal stem cell therapies**: Imunexus has developed a patented approach to display imunexins on the cell surface of mesenchymal stem cells potentially constituting the next generation of Mesenchymal Stem Cell (MSC) therapies. Imunexus has a non-binding terms sheet for a non-exclusive license with Mesoblast to develop 5 imunexin-based mesenchymal stem cell products. Imunexus is entitled to receive an upfront payment followed by milestone and royalty payments from Mesoblast on the development and commercialisation of these imunexin-MSC products.
- **The Baker Heart and Diabetes Institute**: Imunexus has partnered with The Baker Heart and Diabetes Institute (a premier, internationally recognised research institute) to develop an exciting new treatment (IMX39) for a number of neurological pathologies with the initial emphasis on multiple sclerosis (see compelling mouse model data in the panel below). Imunexus proposes to develop and commercialise IMX39 to treat Multiple Sclerosis (MS). Currently MS affects more than 2.8 million people worldwide with the current market estimated at $23 billion. The project has begun and is co-funded by the Baker Institute and Imunexus.

Business Strategies and Prospects

The Company's technology platform provides a scalable novel approach to the re-engineering of existing therapeutic monoclonal antibodies to improve their clinical utility. The generation of bispecific antibody drugs is an exciting new field of biotechnology providing potentially new treatment approaches for a number of different cancers and inflammatory diseases. The US Food and Drug Administration (FDA) has approved over 100 monoclonal antibody drugs (such as Avastin and Humira). Many of those approved monoclonal antibody drugs are no longer subjected to current patent rights. They provide opportunities for improving their performance by adding additional therapeutic utilities to the original monoclonal antibody drug using the Imunexus' "plug and play" approach.

Current activity in this field has seen many major pharmaceutical companies adding new specificities to their existing antibodies through acquiring or partnering with smaller, biotechnology companies with bispecific platforms. Imunexus is applying its bispecific technology to a number of marketed and currently available monoclonal antibodies – positioning itself as a technology partner for large-scale Pharmaceutical Companies. In addition to this approach, Imunexus is also advancing the development of selected products from its pipeline (based on "off patent" proven antibodies through to antibodies that failed in clinical and preclinical studies) for the potential treatment of small cell lung cancer (SCLC) and rheumatoid arthritis (RA) amongst others. These products will be taken into Investigational New Drug (IND)-enabling preclinical studies before seeking a transaction or co-development deal. This is a dual-track business model that combines a technology platform with an extensive portfolio of lead product candidates that are developed in-house or through a partner.

Significant changes in the state of affairs

Imunexus entered into a collaboration agreement with the world-renowned Baker Heart and Diabetes Institute (The Baker) to discover and develop a novel protein to support a multiple sclerosis (MS) therapeutic. Imunexus Product IMXBL39 is based on the precursor molecule targCD39 from The Baker which is suitable for the treatment of inflammation driven neuropathology's such as MS, Alzheimer's, and many others.

There were no other significant changes in the state of affairs of the Company during the financial year.

Going concern

The Company reports the following for the period ended 30 June 2023:

- A loss for the period of $1,123,720 (2022: loss of $1,172,954)
- Maintains a cash balance of $47,638 (2022: $451,308) with cash outflow from operations over the period of $380,796 (2022: outflow of $1,535,614)
- A net liability position of $678,997 (2022: net assets of $459,723)

In the period following 30 June 2023 the Company has drawn an additional loan to support ongoing science activities and to progress a further strategic capital raise, being undertaken by complimentary non-exclusive corporate advisors.

The Directors advise the intention to proceed with one or more of the following transactions to raise further capital for ongoing operations within the following 12-month period from the date of signing: (i) enter either collaboration and / or other commercial partnership agreements, (ii) list the Company on an Australian or International Stock Exchange and / or (iii) enter a corporate transaction providing funding for the Company.

The Company continues to progress each of these activities through support of its corporate advisors. These opportunities collectively provide the Directors with confidence that the Company will be able to raise sufficient capital to both secure and further its ongoing operations including scientific and commercialisation programs.

On the basis that sufficient funding is expected to be raised to meet the Company's expenditure forecasts for ongoing operations, the Directors consider that the Company remains a going concern and these financial statements have been prepared on this basis.

As the Company is dependent on raising further capital to fund its ongoing operations, and given the risk of a further capital raising being unsuccessful, this requirement indicates a material uncertainty that casts significant doubt over the ability of the Company to continue as a going concern.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might be necessarily incurred should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2023 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 years.

Likely developments and expected results of operations
The Company plans to advance its two lead products for SCLC and RA through IND-enabling preclinical studies. Imunexus' aim is to develop a comprehensive data package to support business development activities that will facilitate partnering or asset sales.

The Company expects to commence the MSC - partnered program and the co-development program with the Baker.

Disclosure of information, beyond that provided in this report, regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in 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 year, the Company paid 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. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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

Shares under option
Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
11/08/2020	Post IPO*	IPO price**	2,000,000
13/08/2020	Post IPO*	IPO price**	2,000,000
			4,000,000

*Subject to any restrictions imposed by the ASX Limited (ASX), each Option is exercisable at any time (i) from 12 months after the date of admission of the Company to the ASX Official List (ASX Listing Date); (ii) up and until 24 months after the ASX Listing Date (Expiry Date).

**The exercise price per Option is equal to the IPO offer price as detailed in the prospectus lodged by the Company in respect of its proposed ASX Listing (Exercise Price). On exercise and payment of the Exercise Price the Company will issue to the holder for each Option exercised one ordinary share in the capital of the Company credited as fully paid.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

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.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

Director	Held	Attended
Philippa Lewis	10	10
Donald Brumley	10	9
John Gaffney (resigned 19 September 2023)	10	10

Held: represents the number of meetings held during the time the director held office.

Information on directors and secretary

Name:	Philippa Lewis
Title:	Independent Non-Executive Chair
Qualifications:	IPC Canada, MTAA, GAICD
Experience and expertise:	Ms. Lewis has over 35 years of experience and commercialisation track record success as a Chair, Company director and CEO in the Biotech, MedTech, digital, healthcare and aged care sectors. As a strategic futurist, she has founded over ten companies. In addition, she has led local and North American IPOs, reverse mergers, complex M&A transactions, raised and managed strategic capital for private and listed entities and has been engaged in multilateral joint ventures within North America, Europe and China.

She currently serves on several boards: as Independent Non-Executive Chair of Imunexus Therapeutics Limited; is a Non-Executive Director of Halo Technologies (ASX: HAL), a digital SaaS Company with an investment, research and transactional platform; she is a Chair of Aquitas Pty Ltd, a privately owned residential aged care M&A consolidation and is a Non-Executive Director on the boards of the Global Centre for Modern Ageing as well as its subsidiary arm Prism Ventures Pty Ltd.

Ms. Lewis has served as a Chair of EZZ Life Science Holdings (ASX: EZZ), listing the company in 2020; a life sciences company that develops and manufactures healthcare products; as Managing Director and founder of duel listed ASX/TSV MedTech company Simavita Ltd (ASX: SVA) between 2008 and 2016. She was also an Independent Chair of the board of Lifespot Health Ltd (ASX: LSH) during 2017 and was chair and founder of Karista, from 2016 to 2018, a private company servicing the aged, disability and community care sectors through a bespoke digital consumer choice platform.

She served as a Non-Executive Director of the Medical Technology Association of Australia 2014 to 2016. Ms. Lewis is a member of the Australian Institute of Company Directors and the Institute of Arbitration and Mediation. She has completed Public Company Directors and Chair course as well as the Public Company Directors certificate from Simon Fraser University, a requirement for SEC listed company directors. She has been nominated as Zurich Business Leader of the Year and Telstra Business Woman of the Year.

Name:	Donald Brumley
Title:	Independent Non-Executive Director
Qualifications:	CA, MAICD
Experience and expertise:	Mr Brumley has 30 years' experience as a senior partner of Ernst & Young, Oceania. He has extensive experience in IPO's, transactions and audit, and has advised and worked with a number of Boards of corporations, ranging from some of the largest in Australia to fast growing entrepreneurial and medium sized organisations. Mr. Brumley was the Oceania IPO Leader at Ernst & Young and worked with clients listing on the AUS, US, UK and key Asian stock exchanges.

He held positions as Biotech Markets Leader, National Leader of Strategic Growth Markets and on the Board of Partners of Ernst & Young. He is currently a Non-Executive Director of Acrux Limited (ASX: ACR) and previous Board positions including Bio-Gene Technology Ltd (Chair, ASX: BGT).

Don is a Fellow of Chartered Accountants Australia and New Zealand, a member of the Australian Institute of Company Directors.

Name:	Christopher Elliot
Title:	Independent Non-Executive Director, Chief Financial Officer and Company Secretary
Qualifications:	B.Bus, CA
Experience and expertise:	Mr Elliot has 20 years' experience as a finance and management executive within both chartered accounting and commercial firms, including PricewaterhouseCoopers, APN Outdoor Group Limited (ASX: APO) and Mandoe Media Pty Ltd. He has extensive experience across the finance, media and digital technology industries, including executive, finance, commercial, business development and operational roles across these industry sectors. Chris is a graduate of the Institute of Chartered Accountants of Australia and New Zealand ('CAANZ') where he is currently a member.

Environmental regulation

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

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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

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Ms Philippa Lewis
Non-Executive Chair

22 December 2023

General information

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

Imunexus Therapeutics Limited is an unlisted public Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

La Trobe University
LIMS2 Building
Science Drive, Melbourne
Bundoora VIC 3086

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 22 December 2023. The directors have the power to amend and reissue the financial statements.

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF IMUNEXUS THERAPEUTICS LIMITED

As lead auditor of Imunexus Therapeutics Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

David Garvey

Director

BDO Audit Pty Ltd

Melbourne, 22 December 2023

Imunexus Therapeutics Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue			
Other income	3	379,540	553,504
Expenses			
Science consumables		(169,583)	(209,931)
Directors' expenses		(241,072)	(240,627)
Professional services		(147,339)	(247,829)
Management and employment expenses		(705,786)	(771,853)
Insurance		(28,400)	(28,300)
Depreciation and amortisation expense	4	(60,895)	(40,410)
Other expenses		(129,074)	(181,965)
Finance costs	4	(21,111)	(5,543)
Total expenses		(1,503,260)	(1,726,458)
Loss before income tax expense		(1,123,720)	(1,172,954)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Imunexus Therapeutics Limited		(1,123,720)	(1,172,954)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Imunexus Therapeutics Limited		(1,123,720)	(1,172,954)

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

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	6	47,638	451,308
Trade and other receivables	7	342,276	434,461
Other current assets	8	19,526	52,348
Total current assets		409,440	938,117
Non-current assets			
Property, plant and equipment	9	7,194	11,036
Right-of-use assets	10	-	53,200
Intangibles	11	139,226	90,134
Total non-current assets		146,420	154,370
Total assets		555,860	1,092,487
Liabilities			
Current liabilities			
Trade and other payables	12	690,276	150,715
Borrowings	13	478,718	380,447
Lease liabilities	14	-	53,200
Employee benefits	15	44,766	34,377
Total current liabilities		1,213,760	618,739
Non-current liabilities			
Employee benefits	15	21,097	14,025
Total non-current liabilities		21,097	14,025
Total liabilities		1,234,857	632,764
Net (liabilities)/assets		(678,997)	459,723
Equity			
Issued capital	16	4,587,448	4,602,448
Reserves	17	1,039,357	1,045,003
Accumulated losses		(6,305,802)	(5,187,728)
Total (deficiency)/equity		(678,997)	459,723

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

Imunexus Therapeutics Limited
Statement of changes in equity
For the year ended 30 June 2023

	Issued capital $	Loan share reserve $	Share option reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021	4,602,448	879,956	332,283	(4,182,010)	1,632,677
Loss after income tax expense for the year	-	-	-	(1,172,954)	(1,172,954)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,172,954)	(1,172,954)
Expiry of options	-	-	(167,236)	167,236	-
Balance at 30 June 2022	4,602,448	879,956	165,047	(5,187,728)	459,723

	Issued capital $	Loan share reserve $	Share option reserve $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2022	4,602,448	879,956	165,047	(5,187,728)	459,723
Loss after income tax expense for the year	-	-	-	(1,123,720)	(1,123,720)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,123,720)	(1,123,720)
Expiry of options	-	-	(5,646)	5,646	-
Transactions with owners in their capacity as owners:					
Capital raise costs (note 16)	(15,000)	-	-	-	(15,000)
Balance at 30 June 2023	4,587,448	879,956	159,401	(6,305,802)	(678,997)

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

Imunexus Therapeutics Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		471,725	122,135
Payments to suppliers and employees (inclusive of GST)		(831,410)	(1,652,225)
Interest and other finance costs paid		(21,111)	(5,543)
Interest received		-	19
Net cash used in operating activities	24	(380,796)	(1,535,614)
Cash flows from investing activities			
Payments for intangibles	11	(52,945)	(71,653)
Net cash used in investing activities		(52,945)	(71,653)
Cash flows from financing activities			
Proceeds from borrowings		442,769	380,447
Share issue transaction costs		(15,000)	-
Repayment of borrowings		(366,125)	-
Repayment of lease liabilities		(53,200)	(35,666)
Proceeds from related party borrowings		21,627	-
Net cash from financing activities		30,071	344,781
Net decrease in cash and cash equivalents		(403,670)	(1,262,486)
Cash and cash equivalents at the beginning of the financial year		451,308	1,713,794
Cash and cash equivalents at the end of the financial year	6	47,638	451,308

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 either in the respective notes or 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.

Going concern
The Company reports the following for the period ended 30 June 2023:
- A loss for the period of $1,123,720 (2022: loss of $1,172,954)
- Maintains a cash balance of $47,638 (2022: $451,308) with cash outflow from operations over the period of $380,796 (2022: outflow of $1,535,614)
- A net liability position of $678,997 (2022: net assets of $459,723)

In the period following 30 June 2023 the Company has drawn an additional loan to support ongoing science activities and to progress a further strategic capital raise, being undertaken by complimentary non-exclusive corporate advisors.

The Directors advise the intention to proceed with one or more of the following transactions to raise further capital for ongoing operations within the following 12-month period from the date of signing: (i) enter either collaboration and / or other commercial partnership agreements, (ii) list the Company on an Australian or International Stock Exchange and / or (iii) enter a corporate transaction providing funding for the Company.

The Company continues to progress each of these activities through support of its corporate advisors. These opportunities collectively provide the Directors with confidence that the Company will be able to raise sufficient capital to both secure and further its ongoing operations including scientific and commercialisation programs.

On the basis that sufficient funding is expected to be raised to meet the Company's expenditure forecasts for ongoing operations, the Directors consider that the Company remains a going concern and these financial statements have been prepared on this basis.

As the Company is dependent on raising further capital to fund its ongoing operations, and given the risk of a further capital raising being unsuccessful, this requirement indicates a material uncertainty that casts significant doubt over the ability of the Company to continue as a going concern.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might be necessarily incurred should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

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.

Note 1. Significant accounting policies (continued)

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.

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

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.

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.

Impairment of non-financial assets
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.

Intangible assets
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 consolidated entity is able to use or sell the asset; the consolidated entity 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, being their finite life of 20 years (in respect to patents).

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.

Note 1. Significant accounting policies (continued)

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 2023. 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.

Restatement of comparatives
Comparatve figures where appropriate have been reclassified to be comparable with the figures presented for the current financial year.

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 year are discussed below.

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 and historical collection rates.

Fair value measurement hierarchy
The Company 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.

Income tax
The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

R&D Tax Incentives
From 1 July 2011 the Australian Government has provided a tax incentive, in the form of a refundable tax offset of 43.5%, for eligible research and development expenditure. Management have assessed refundable R&D tax incentive based on the research and development activities and expenditure during the period, which are likely to be eligible under the scheme. Amounts received are subject to Company's continued eligibility to the scheme. For the year ended 30 June 2023, the Company has recognised Research and development tax incentive income of $314,540 (2022: $538,312).

Note 2. Critical accounting judgements, estimates and assumptions (continued)

R&D Tax Incentive Income
Research and Development tax incentives are recognised in accordance with AASB 120: Accounting for Government Grants and Government Assistance. The Research and development tax credit is recognised when there is reasonable assurance that the grant will be received, and all the conditions have been compiled with.

Note 3. Other income

	2023 $	2022 $
Interest income	-	19
Net foreign exchange gain	-	173
Other income	65,000	15,000
Research and development tax offset	314,540	538,312
Other income	379,540	553,504

Other income relates to Export Marketing Development Grant received and management fees charged to Imunexus Limited. In which, $50,000 relates to the option fee relating to Imunexus Therapeutics' Term sheet. Mesoblast International Sarl agreed to pay Imunexus Limited a non-refundable $50,000 Option Fee in cash on execution of the option deed.

Note 4. Expenses

	2023 $	2022 $
Loss before income tax includes the following specific expenses:		
Depreciation and amortisation		
Computer equipment	3,842	3,842
Digital assets	1,140	840
Right-of-use assets	53,200	35,666
Patents and trademarks	2,713	62
Total depreciation and amortisation	60,895	40,410
Finance costs		
Interest and finance charges paid/payable on borrowings	20,385	3,433
Interest and finance charges paid/payable on lease liabilities	726	2,110
Finance costs expensed	21,111	5,543
Net foreign exchange loss	1,273	-
Superannuation expense		
Defined contribution superannuation expense	60,198	63,946
Employee benefits expense excluding superannuation	471,518	542,657

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 5. Income tax

	2023 $	2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,123,720)	(1,172,954)
Tax at the statutory tax rate of 25%	(280,930)	(293,239)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
R&D Expenditure	180,770	249,691
R&D Offset	(68,291)	(139,231)
Entertainment	155	110
Sundry items	8,153	-
	(160,143)	(182,669)
Current year tax losses not recognised	183,458	182,299
Current year temporary differences not recognised	(23,315)	370
Income tax expense	-	-

The Company has carried forward losses of $1,935,098 as at 30 June 2023 (30 June 2022: $1,201,268). These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Accounting policy for 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.

Note 6. Cash and cash equivalents

	2023 $	2022 $
Current assets		
Cash at bank	47,638	451,308

Note 6. Cash and cash equivalents (continued)

Accounting policy for 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.

Note 7. Trade and other receivables

	2023 $	2022 $
Current assets		
Trade receivables	15,000	-
Other receivables	327,276	434,461
	342,276	434,461

Allowance for expected credit losses
The Company has recognised a loss of $nil (2022: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2023 %	2022 %	2023 $	2022 $	2023 $	2022 $
Not overdue	-	-	342,276	434,461	-	-

Accounting policy for 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 relate to R&D tax incentive and are recognised at amortised cost, less any allowance for expected credit losses.

Note 8. Other current assets

	2023 $	2022 $
Current assets		
Prepayments	19,526	52,348

Note 9. Property, plant and equipment

	2023 $	2022 $
Non-current assets		
Computer equipment - at cost	15,370	15,370
Less: Accumulated depreciation	(8,176)	(4,334)
	7,194	11,036

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

	Computer equipment $
Balance at 1 July 2022	11,036
Depreciation expense	(3,842)
Balance at 30 June 2023	7,194

Accounting policy for property, 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:

Computer equipment	4 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 10. Right-of-use assets

	2023 $	2022 $
Non-current assets		
Land and buildings - right-of-use	88,866	88,866
Less: Accumulated depreciation	(88,866)	(35,666)
	-	53,200

Additions to the right-of-use assets during the year were $nil (30 June 2022: $88,866) and depreciation charged to profit or loss was $53,200 (30 June 2022: $35,666).

Accounting policy for 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.

Note 10. Right-of-use assets (continued)

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 Company 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 Company 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.

Note 11. Intangibles

	2023 $	2022 $
Non-current assets		
Patents and trademarks - at cost	138,281	85,336
Less: Accumulated amortisation	(2,775)	(62)
	135,506	85,274
Digital assets	5,700	5,700
Less: Accumulated amortisation	(1,980)	(840)
	3,720	4,860
	139,226	90,134

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

	Patents and trademarks $	Digital assets $	Total $
Balance at 1 July 2022	85,274	4,860	90,134
Additions	52,945	-	52,945
Amortisation expense	(2,713)	(1,140)	(3,853)
Balance at 30 June 2023	135,506	3,720	139,226

Accounting policy for 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.

Depreciation is calculated on a straight-line basis to write off the net cost of each item over their expected useful lives as follows:

Patents and trademarks	20 years
Digital assets	5 years

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

Note 12. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	279,168	83,039
Accruals	398,159	79,300
Other payables	12,949	(11,624)
	690,276	150,715

Refer to note 25 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Company 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 30 days of recognition.

Note 13. Borrowings

	2023 $	2022 $
Current liabilities		
Loan - Fundsquire	-	363,947
Loan - Hunter Premium	14,322	16,500
Loan - Radium Capital	192,769	-
Loan from director	21,627	-
Convertible notes payable	250,000	-
	478,718	380,447

Refer to note 25 for further information on financial instruments.

The Fundsquire loan represents funding 80% of the anticipated R&D tax offset refund. The interest rate was 1.25% per month. This loan was repaid during the year.

The Hunter Premium loan represents funding for the Directors & Officer Liability insurance, with payments made over a 10 month period. The loan is expected to be repaid by 1 January 2024 and incurs an interest rate of 24.82% (2022: 22.59%) per annum charged on the reducing balance each month.

The Radium capital loan bears interest at 1.33% per month and matures on 31 December 2023. The loan is secured against the R&D offset grant.

The loan from director consists of $21,627 payable to Dr George Kopsidas. This loan bears interest at 1.25% per month, $5,000 was repaid in October 2023, and the balance is to be repaid with next capital raise (expectation before June 2024). The loan is unsecured.

The convertible notes have a maximum 24 month term, a 12% capitalised coupon rate which converts to equity at the earlier of a ‘liquidity event’ or term maturity automatically.

Note 13. Borrowings (continued)

A 'liquidity event' is defined as the occurrence of any of the following:

- Initial public offering of the Issuers ordinary shares pursuant to a registered prospectus and the Issuer receiving conditional approval from the ASX for listing;
- Licence deal with at least $15m cash payment paid front to the Issuer;
- An offeror has made an unconditional takeover offer under the Corporations Act for the Issuer and has acquired a Relevant Invest of at least 50%;
- The Issuer has entered into a scheme of arrangement (which has substantially the same effect as the acquisition of 100% of the Issuer) which has been approved by the Issuer's shareholder;
- Sale of the whole or substantial assets of the Issuer with at least a $20m cash payment upfront to the Issuer.

In addition to the above automatic conversion events, the convertible note can be converted at any time prior to the maturity date at the discretion of the investor.

Convertible notes are convertible into ordinary fully paid shares at a 40% discount to the IPO price.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Note 14. Lease liabilities

	2023 $	2022 $
Current liabilities		
Lease liability	-	53,200

Refer to note 25 for further information on financial instruments.

Accounting policy for 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 Company'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.

Note 15. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	44,766	34,377
Non-current liabilities		
Long service leave	21,097	14,025
	65,863	48,402

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits and annual 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 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 16. Issued capital

Accounting policy for 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.

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	159,893,755	159,893,755	1,837,448	1,852,448
Convertible notes issued	-	-	2,750,000	2,750,000
	159,893,755	159,893,755	4,587,448	4,602,448

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.

Convertible notes
The Company issued convertible notes to raise capital prior to a planned Initial Public Offering (IPO). The convertible notes have a maximum 3 year term and an interest rate of between 12% and 20%. The Convertible Note will automatically convert at $0.0146 per ordinary share on the earlier of a liquidity event (as defined within the Convertible Note Agreement) or maturity date.

Note 16. Issued capital (continued)

(a) Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2022	159,893,755		1,852,448
Capital raise costs				(15,000)
Balance	30 June 2023	159,893,755		1,837,448

(b) Movements in share options over ordinary shares during the period were as follows:

	2023 $	2022 $
Balance at 1 July 2022	4,700,000	6,700,000
Options lapsed during the period	(200,000)	(2,000,000)
Balance at 30 June 2023	4,500,000	4,700,000

Terms of options issued

	Issue Date	Options Issued	Exercise Price	Value ($)	Expiry
Options issued	18/10/2018	500,000	$0.1200	55,828	17/10/2023
Options issued	11/08/2020	2,000,000	IPO price*	51,790	Post IPO**
Options issued	13/08/2020	2,000,000	IPO price*	51,783	Post IPO**
		4,500,000		159,401	

*Subject to any restrictions imposed by the ASX Limited (ASX), each Option is exercisable at any time (i) from 12 months after the date of admission of the Company to the ASX Official List (ASX Listing Date); (ii) up and until 24 months after the ASX Listing Date (Expiry Date).

**The exercise price per Option is equal to the IPO offer price as detailed in the prospectus lodged by the Company in respect of its proposed ASX Listing (Exercise Price). On exercise and payment of the Exercise Price the Company will issue to the holder for each Option exercised one ordinary share in the capital of the Company credited as fully paid.

The bundle of 500,000 options issued on 18/10/2018 expired on 17/10/2023 without being exercised.

Share options granted carry no rights to dividends and no voting rights.

The valuations of options issued are determined by using an industry standard option pricing model taking into account the terms and conditions upon which the instruments were issued.

(c) Fair values of share-based payments - options

The fair value of options granted to Directors and key consultants have been calculated using the Black-Scholes Pricing Model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise (including the probability of meeting market conditions attached to the option), and behavioural considerations. The model requires the Company share price volatility to be measured. The share price volatility has been measured with reference to the historical share prices of the Company and other similar companies.

The fair value of share based payments is calculated on the date of issue less any consideration paid. The values are not revised if there is a subsequent change in terms.

Note 16. Issued capital (continued)

Details in respect of the fair value of equity, on issue/grant date, that was in existence at reporting date are outlined below.

Equity Instrument	Exercise price	Share price on issue date	Volatility	Maturity date	Time to maturity	Risk free interest rate	Expected dividend yield	Weighted average exercise price
Options	$0.1090	$0.0545	100%	11/02/2024	3 years	0.18%	-	$0.1090
Options	$0.1090	$0.0545	100%	13/02/2024	3 years	0.18%	-	$0.1090

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 further into development and commercialisation or in a business seen as value adding at the time of the investment.

The capital risk management policy remains unchanged from the 2022 Annual Report.

Note 17. Reserves

	2023 $	2022 $
Options reserve	159,401	165,047
Loan share reserve	879,956	879,956
	1,039,357	1,045,003

Options reserve
The share option reserve arises on the issue of options. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Amounts are transferred to accumulated losses when options are cancelled.

Loan share reserve
The loan share reserve arises on the grant of loan shares. Amounts are transferred out of the reserve and into issued capital when the loan shares are repaid. Amounts are transferred to accumulated losses when loan shares are cancelled.

Movements in reserves
There were no movements in reserves during the current financial year.

Note 18. Dividends

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	2023 $	2022 $
Franking credits available for subsequent financial years based on a tax rate of 25%	-	-

Note 18. Dividends (continued)

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 19. Key management personnel disclosures

(a) Compensation

	2023 $	2022 $
Short-term employee benefits	499,056	425,811
Post-employment benefits	30,088	28,711
	529,144	454,522

There are no other termination or long term benefits paid during the year.

(b) Equity holdings

i) Shareholdings
Fully paid ordinary shares held by key management personnel or their related parties:

2022	Balance at 1 July 2021 (No.)	Issued as compensation (No.)	Asset restructure transfer (No.)	Purchased during the period (No.)	Disposals (No.)	Balance at 30 June 2022 (No.)	Total vested 30 June 2022 (No.)
Ms Philippa Lewis	8,352,055	-	-	-	-	8,352,055	8,352,055
Dr George Kopsidas	13,866,712	-	-	-	-	13,866,712	13,866,712
Mr Christopher Elliot	3,904,795	-	-	-	-	3,904,795	3,904,795
Mr Donald Brumley	3,681,301	-	-	-	-	3,681,301	3,681,301
Mr John Gaffney	1,027,397	-	-	-	-	1,027,397	1,027,397
	30,832,260	-	-	-	-	30,832,260	30,832,260

2023	Balance at 1 July 2022 (No.)	Issued as compensation (No.)	Asset restructure transfer (No.)	Purchased during the period (No.)	Disposals (No.)	Balance at 30 June 2023 (No.)	Total vested 30 June 2023 (No.)
Ms Philippa Lewis	8,352,055	-	-	-	-	8,352,055	8,352,055
Dr George Kopsidas	13,866,712	-	-	-	-	13,866,712	13,866,712
Mr Christopher Elliot	3,904,795	-	-	-	-	3,904,795	3,904,795
Mr Donald Brumley	3,681,301	-	-	-	-	3,681,301	3,681,301
Mr John Gaffney	1,027,397	-	-	-	-	1,027,397	1,027,397
	30,832,260	-	-	-	-	30,832,260	30,832,260

ii) Option holdings
No options are held by key management personnel or their related parties.

Note 19. Key management personnel disclosures (continued)

iii) Loan funded shares
The following loan funded shares have been granted to related parties:

2022	Balance at 1 July 2021 (No.)	Issued as compensation (No.)	Asset restructure transfer (No.)	Purchased during the period (No.)	Disposals (No.)	Unissued and unvested at 30 June 2022 (No.)	Total issued and vested 30 June 2022 (No.)
Ms Philippa Lewis	4,000,000	-	-	-	-	-	4,000,000
Dr George Kopsidas	2,500,000	-	-	-	-	-	2,500,000
Mr Christopher Elliot	750,000	-	-	-	-	-	750,000
Mr Donald Brumley	500,000	-	-	-	-	-	500,000
	7,750,000	-	-	-	-	-	7,750,000

2023	Balance at 1 July 2022 (No.)	Issued as compensation (No.)	Asset restructure transfer (No.)	Purchased during the period (No.)	Disposals (No.)	Unissued and invested at 30 June 2023 (No.)	Total issued and vested 30 June 2023 (No.)
Ms Philippa Lewis	4,000,000	-	-	-	-	-	4,000,000
Dr George Kopsidas	2,500,000	-	-	-	-	-	2,500,000
Mr Christopher Elliot	750,000	-	-	-	-	-	750,000
Mr Donald Brumley	500,000	-	-	-	-	-	500,000
	7,750,000	-	-	-	-	-	7,750,000

As part of the acquisition of Imunexus Limited's antibody enhancement business, the Company replicated the loan funded share plan originally in place at Imunexus Limited, which was designed to replace previously considered share programs, to provide a remuneration mechanism where services had been provided and retain key employees and advisors. The arrangement involved the issue of shares under a non-recourse loan structure to each of the participants. The shares are not subject to vesting conditions, before being entitled to access these shares.

Note 20. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 19.

Significant influence
There were no other transactions with parties of significant influence during the financial year.

Transactions with related parties
There were no other transactions with related parties during the financial year.

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

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	2023 $	2022 $
Current borrowings:		
Loan from Dr George Kopsidas	21,627	-

Note 20. Related party transactions (continued)

Terms and conditions
The loan from Dr George Kopsidas bears interest at 1.25% per month, $5,000 was repaid in October 2023, and the balance is to be repaid with next capital raise (expectation before June 2024). The loan is unsecured.

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company, and its network firms:

	2023 $	2022 $
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	36,000	32,000
Other services - BDO Services Pty Ltd		
Preparation of financial statements	6,400	3,500

Note 22. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 23. Commitments

There was no capital expenditure contracted for at reporting date but not provided for in the accounts (2022: nil)

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

	2023 $	2022 $
Loss after income tax expense for the year	(1,123,720)	(1,172,954)
Adjustments for:		
Depreciation and amortisation	60,895	40,410
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	92,185	(431,369)
Decrease/(increase) in prepayments	32,822	(35,970)
Increase in trade and other payables	539,561	39,916
Increase in employee benefits	17,461	24,353
Net cash used in operating activities	(380,796)	(1,535,614)

Note 25. Financial instruments

Financial risk management objectives
The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. There have been no changes to these risks since the previous financial year. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange, ageing analysis for credit risk and cashflow forecast to determine liquidity risk.

Note 25. Financial instruments (continued)

The Board of Directors ('the Board') ensures that the Company maintains a competent management structure capable of defining, analysing, measuring and reporting on the effective control of risks inherent in the Company's underlying financial activities and the instruments used to manage risk. Key financial risks including interest rate risk and foreign currency risk are reviewed by management on a regular basis and are communicated to the Board so that it can evaluate and impose its oversight responsibility. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Company has a policy regarding foreign exchange risk management. This and other financial risks are managed prudently by the Board.

Market risk

Foreign currency risk
The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Company's functional currency. The risk is measured using cash flow forecasting and sensitivity analysis.

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters. The Company manages the currency risk by monitoring the trend of the relevant foreign currencies.

The carrying amount of the Company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	2023 $	2022 $
Accounts payable - Euros	-	15,854

Any change in the Euro to Australia exchange rate will not be a material change to the foreign currency accounts payable.

Interest rate risk
The Company's exposure to market interest rate risk relates primarily to the Company’s short term cash balances. These exposures are not material. At balance date the Company had borrowings of $478,718. The interest rates on borrowings are fixed.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Company does not hold any collateral.

The Company has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Company based on recent sales experience, historical collection rates and forward-looking information that is available.

The Company is not exposed to any material credit risk at balance date.

Liquidity risk
Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 25. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2023	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivatives						
Non-interest bearing						
Trade payables	-	279,168	-	-	-	279,168
Accruals	-	398,159	-	-	-	398,159
Other payables	-	12,949	-	-	-	12,949
Interest-bearing - fixed rate						
Loan - Hunter Premium	24.82%	17,876	-	-	-	17,876
Loan - Radium Capital	16.00%	223,612	-	-	-	223,612
Loan from director	15.00%	24,871	-	-	-	24,871
Convertible note	12.00%	-	-	-	-	-
Total non-derivatives		956,635	-	-	-	956,635

2022	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivatives						
Non-interest bearing						
Trade payables	-	83,039	-	-	-	83,039
Accruals	-	79,300	-	-	-	79,300
Other payables	-	(11,624)	-	-	-	(11,624)
Interest-bearing - fixed rate						
Lease liability	3.00%	53,926	-	-	-	53,926
Loan - Fundsquire	15.00%	418,021	-	-	-	418,021
Loan - Hunter Premium	22.59%	20,227	-	-	-	20,227
Total non-derivatives		642,889	-	-	-	642,889

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. The convertible notes are convertible to ordinary shares and therefore the cash figure is nil.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 26. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Accounting policy for fair value measurement
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.

Note 26. Fair value measurement (continued)

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.

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 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 years.

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 2023 and of its performance for the financial year ended on that date; and

- for the reasons set out in note 1 Going Concern, 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 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Ms Philippa Lewis
Non-Executive Chair

22 December 2023

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Imunexus Therapeutics Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Imunexus Therapeutics Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Imunexus Therapeutics Limited, 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 2023 and of its financial performance for the year ended on that date; 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 *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 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 1 in the financial report which describes the events and conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability 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 has 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 (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO
David Garvey

David Garvey
Director

Melbourne, 22 December 2023