Imunexus Therapeutics Limited

ABN 62 644 613 445

Annual Report - 30 June 2022

Directors	Philippa Lewis Donald Brumley John Gaffney
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

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 24 November 2022. The directors have the power to amend and reissue the financial statements.

The directors present their report, together with the financial statements, on the Company for the year ended 30 June 2022.

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:

Mrs Philippa Lewis
Mr Donald Charles Brumley
Mr John Gaffney

Company secretary
Mr Christopher Elliot

Principal activities
Imunexus Therapetics 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 $1,172,954 (30 June 2021: $4,789,247).

Research and Development Programs

Imunexus is creating a pipeline of product opportunities by converting currently available or marketed antibody drugs along with proprietary non-antibody proteins into novel multispecific drugs, positioning itself for commercial partnerships with major pharmaceutical companies. Presently, Imunexus is focusing on two lead products that address serious diseases.

Imunexus' lead product (IMX101) is a multispecific antibody treatment for small cell lung cancer (SCLC). SCLC is a fast, aggressive disease with the average survival rate of 7-12 months with limited treatments and very poor prognosis. The global market is estimated to be $3.4 billion by 2027.

Imunexus is also developing a multispecific antibody treatment (IMX110) for colorectal cancer (CRC). CRC ranks as the third most common cancer worldwide, with approximately 1 million new cases diagnosed annually. The global colorectal cancer therapeutics market is estimated to reach $18.5 billion by 2023.

Additional targeting of mesenchymal stem cells is supported by Imunexus' recent patented pending technology (Provisional PCT filed) utilises the Company's imunexin technology to add a new therapeutic utility to many mammalian cells including mesenchymal stem cells (MSCs). Adding imunexins to the cell surface of MSC's, for example, allows for specific MSC targeting to specific therapeutic targets or diseased cells. Imunexus will continue develop imunexin applications with MSC's with a co-development partner.

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 multispecific 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 FDA has approved over 100 monoclonal antibody drugs (including for example Avastin and Humira). Many of those approved monoclonal antibody drugs are no longer subject to current patent rights and provide opportunities for improving their performance by adding additional therapeutic utilities to the original monoclonal antibody drug using the imunexus's "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 multispecific platforms. Imunexus is applying its multispecific technology to a number of marketed and currently available monoclonal antibodies – positioning itself as a technology partner for big pharma. In addition to this approach, Imunexus is also advancing the development of select products from its pipeline (based on "off patent" proven antibodies) for the potential treatment of small cell lung cancer (SCLC) and colorectal cancer (CRC). These products will be taken into 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 being developed in-house or developed via a partner.

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

Going concern
For the year ended 30 June 2022, the Company has a loss after income tax of $1,172,954, maintains a cash balance on 30 June 2022 of $451,308, and had cash outflows from operations over the period of $1,535,614. On 30 June 2022, the Company has a net asset position of $459,723 and has current assets exceeding current liabilities of $319,378.

The existence of these conditions indicates a material uncertainty that may cast doubt on the Company’s ability to continue as a going concern.

To fund activities after balance date, the Company has the following plans:

- The Company received an R&D tax incentive of $434,461 in September 2022 which was used to repay borrowings in Note 13 of $363,947.
- The Directors note their intention to (i) enter either collaboration and / or other commercial partnership agreements within the following 12 month period, and (ii) list the Company on the Australian Securities Exchange within the following 12 month period, and/or (iii) raise additional funds from existing or new shareholders. The Company continues to progress each of these activities through support of its corporate adviser. 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, scientific and commercialisation programs.

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

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 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years. The Company has executed two term sheets subsequent to the reporting period, the first an option deed, research collaboration and license agreement with a global pharmaceutical, and the second a collaboration agreement with a research institute.

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

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
18/10/2018	17/10/2023	$0.1200	500,000
05/12/2018	04/12/2022	$0.3000	200,000
11/08/2020	Post IPO*	IPO price**	2,000,000
13/08/2020	Post IPO*	IPO price**	2,000,000
			4,700,000

*It is the Company's intention to list on the ASX. Subject to any future restrictions imposed by the ASX Limited, 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 2022 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 2022, and the number of meetings attended by each director were:

Director	Held	Attended
Philippa Lewis	10	10
Donald Brumley	10	10
John Gaffney	10	10

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

Information on directors

Name:	Phillippa Lewis
Title:	Non-Executive Chair
Qualifications:	IPC Canada, MTAA, GAICD
Experience and expertise:	Ms. Lewis is a professional Company Director with over 30 years of experience and commercialisation track record success as a director and CEO in the medtech, digital, healthcare and life sciences sectors. She has founded multiple companies, 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: Imunexus Therapeutics Ltd; a public unlisted Company in the oncology therapeutics sector; Halo Technologies, a digital SaaS Company with an investment, research and transactional platform; planning to list on the ASX 2021, and is chair of Aquitas Pty Ltd, a privately owned residential aged care M&A consolidation and a Non-Executive Director for The Global Centre for Modern Aging. Ms. Lewis has previously served as independent Non-Executive Chair of EZZ Life Science (ASX: EZZ), a Company that develops and manufactures healthcare products and ASX/TSV listed 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 Pty Ltd, from 2016 - 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 2014-2016. Ms. Lewis is a member of the Australian Institute of Company Directors and the Resolution Institute and has completed Public Company Directors and Chair course as well as the Public Company Directors certificate from Simon Fraser University. She has been nominated as Zurich Business Leader of the Year and Telstra Business Woman of the Year.

Name:	Donald Brumley
Title:	Non-Executive Director
Qualifications:	CA, MAICD
Experience and expertise:	Mr Brumley has 30 years' experience as a senior partner of Ernst & Young, Oceania, and has extensive experience in IPO's, transactions and audit. Don has advised and worked with a number of Boards, ranging from some of the largest in Australia to fast growing entrepreneurial and medium sized organisations. Don 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 & New Zealand, a member of the Australian Institute of Company Directors.

Name:	John Gaffney
Title:	Non-Executive Director
Qualifications:	LLM, GAICD
Experience and expertise:	Mr Gaffney is an experienced Non-Executive Director ('NED') with a demonstrated history as a NED in the pharmaceuticals industry and financial technology sector. John is a barrister with over 30 years of experience with a Master of Laws from Monash University. He has a compliance and corporate governance background and is experienced in financial services compliance. He also has corporate commercial experience having worked with a major international law firm as a senior lawyer and practised as barrister at the Victorian bar. John is a Graduate of AICD and is currently a Non-Executive Director of Paradigm Biopharmaceuticals Ltd (ASX:PAR). John was previously a director of SelfWealth Ltd (ASX:SWF) and a director of a US-based biotechnology Company.

Name:	Christopher Elliot
Title:	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.
Special responsibilities:	

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

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

Auditor
BDO Audit Pty Ltd.

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

Mrs Philippa Lewis
Non-Executive Chair

24 November 2022

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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 2022, 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, 24 November 2022

Imunexus Therapeutics Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue			
Other income	3	553,504	29,494
Expenses			
Science consumables		(209,931)	(42,020)
Directors' expenses		(240,627)	(181,120)
Professional services		(247,829)	(261,544)
Management and employment expenses		(771,853)	(243,672)
Insurance		(28,300)	(5,325)
Depreciation and amortisation expense	4	(40,410)	(492)
Intellectual property		-	(3,293)
Share based payments		-	(4,032,830)
Other expenses		(181,965)	(26,061)
Finance costs	4	(5,543)	(22,384)
Total expenses		(1,726,458)	(4,818,741)
Loss before income tax expense		(1,172,954)	(4,789,247)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Imunexus Therapeutics Limited		(1,172,954)	(4,789,247)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Imunexus Therapeutics Limited		(1,172,954)	(4,789,247)

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

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	451,308	1,713,794
Trade and other receivables	7	434,461	3,092
Other current assets	8	52,348	16,378
Total current assets		938,117	1,733,264
Non-current assets			
Property, plant and equipment	9	11,036	14,878
Right-of-use assets	10	53,200	-
Intangibles	11	90,134	19,383
Total non-current assets		154,370	34,261
Total assets		1,092,487	1,767,525
Liabilities			
Current liabilities			
Trade and other payables	12	150,715	110,799
Borrowings	13	380,447	-
Lease liabilities	14	53,200	-
Employee benefits	15	34,377	17,428
Total current liabilities		618,739	128,227
Non-current liabilities			
Employee benefits	15	14,025	6,621
Total non-current liabilities		14,025	6,621
Total liabilities		632,764	134,848
Net assets		459,723	1,632,677
Equity			
Issued capital	16	4,602,448	4,602,448
Reserves	17	1,045,003	1,212,239
Accumulated losses		(5,187,728)	(4,182,010)
Total equity		459,723	1,632,677

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 2022

	Issued capital $	Loan share reserve $	Share option reserve $	Accumulated losses $	Total equity $
Balance at 24 September 2020	-	-	-	-	-
Loss after income tax expense for the year	-	-	-	(4,789,247)	(4,789,247)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(4,789,247)	(4,789,247)
Transfer from Imunexus Limited	-	866,030	835,946	-	1,701,976
Expiry of options	-	-	(607,237)	607,237	-
Loan shares issued	-	13,926	-	-	13,926
Share options issued	-	-	103,574	-	103,574
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	4,602,448	-	-	-	4,602,448
Balance at 30 June 2021	4,602,448	879,956	332,283	(4,182,010)	1,632,677

	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)
Other transactions	-	-	-	-	-
Expiry of options	-	-	(167,236)	167,236	-
Balance at 30 June 2022	4,602,448	879,956	165,047	(5,187,728)	459,723

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

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		122,135	26,402
Payments to suppliers and employees (inclusive of GST)		(1,652,225)	(628,317)
Interest and other finance costs paid		(5,543)	(22,384)
Interest received		19	-
Net cash used in operating activities	25	(1,535,614)	(624,299)
Cash flows from investing activities			
Payment for purchase of business assets, net of cash acquired		-	(1,212,764)
Payments for property, plant and equipment	9	-	(15,370)
Payments for intangibles	11	(71,653)	(19,383)
Net cash used in investing activities		(71,653)	(1,247,517)
Cash flows from financing activities			
Proceeds from issue of shares		-	1,200,000
Proceeds from issue of convertible notes		-	2,750,000
Proceeds from borrowings	13	380,447	-
Share issue transaction costs		-	(364,390)
Repayment of lease liabilities		(35,666)	-
Net cash from financing activities		344,781	3,585,610
Net (decrease)/increase in cash and cash equivalents		(1,262,486)	1,713,794
Cash and cash equivalents at the beginning of the financial year		1,713,794	-
Cash and cash equivalents at the end of the financial year	6	451,308	1,713,794

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
For the year ended 30 June 2022, the Company has a loss after income tax of $1,172,954, maintains a cash balance on 30 June 2022 of $451,308, and had cash outflows from operations over the period of $1,535,614. On 30 June 2022, the Company has a net asset position of $459,723 and has current assets exceeding current liabilities of $319,378.

The existence of these conditions indicates a material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

To fund activities after balance date, the Company has the following plans:

- The Company received an R&D tax incentive of $434,461 in September 2022 which was used to repay borrowings in Note 13 of $363,947.
- The Directors note their intention to (i) enter either collaboration and / or other commercial partnership agreements within the following 12 month period, and (ii) list the Company on the Australian Securities Exchange within the following 12 month period, and/or (iii) raise additional funds from existing or new shareholders. The Company continues to progress each of these activities through support of its corporate adviser. 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, scientific and commercialisation programs.

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

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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

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.

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.

Note 1. Significant accounting policies (continued)

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 2022. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

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

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.

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

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

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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 Group's continued eligibility to the scheme. For the period ended 30 June 2022, the Group has recognised Research and development tax incentive income of $538,312 (2021:$0).

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

	2022 $	2021 $
Interest income	19	-
Net foreign exchange gain	173	-
Other income	15,000	29,494
Research & development tax offset	538,312	-
Other income	553,504	29,494

Other income relates to Export Marketing Development Grant received (2022) and management fees charged to Imunexus Limited (2021).

Note 4. Expenses

	2022 $	2021 $
Loss before income tax includes the following specific expenses:		
Depreciation and amortisation		
Computer equipment	3,842	492
Digital assets	840	-
Right-of-use assets	35,666	-
Patents and trademarks	62	-
Total depreciation and amortisation	40,410	492
Finance costs		
Interest and finance charges paid/payable on borrowings	5,543	22,384
Superannuation expense		
Defined contribution superannuation expense	63,946	17,445
Employee benefits expense excluding superannuation	542,657	226,227

Note 4. Expenses (continued)

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

Note 5. Income tax

	2022 $	2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,172,954)	(4,789,247)
Tax at the statutory tax rate of 25% (2021: 26%)	(293,239)	(1,245,204)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
R&D Expenditure	249,691	-
R&D Offset	139,231	-
Share-based payments	-	1,048,536
Non deductible expenses	110	226
	95,793	(196,442)
Current year tax losses not recognised	(95,793)	196,442
Income tax expense	-	-

The Company has carried forward losses of $1,201,268 as at 30 June 2022. 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

	2022 $	2021 $
Current assets		
Cash at bank	451,308	1,713,794

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

	2022 $	2021 $
Current assets		
Trade receivables	-	3,092
Other receivables	434,461	-
	434,461	3,092

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

	2022 $	2021 $
Current assets		
Prepayments	52,348	16,378

Note 9. Property, plant and equipment

	2022 $	2021 $
Non-current assets		
Computer equipment - at cost	15,370	15,370
Less: Accumulated depreciation	(4,334)	(492)
	11,036	14,878

Note 9. Property, plant and equipment (continued)

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 2021	14,878
Depreciation expense	(3,842)
Balance at 30 June 2022	11,036

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
Office equipment	10 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

	2022 $	2021 $
Non-current assets		
Land and buildings - right-of-use	88,866	-
Less: Accumulated depreciation	(35,666)	-
	53,200	-

Additions to the right-of-use assets during the year were $88,866 and depreciation charged to profit or loss was $35,666.

The Company leases buildings for its office and laboratories under an agreement of 2 years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

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.

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

	2022 $	2021 $
Non-current assets		
Patents and trademarks - at cost	85,336	19,383
Less: Accumulated amortisation	(62)	-
	85,274	19,383
Digital Assets	5,700	-
Less: Accumulated amortisation	(840)	-
	4,860	-
	90,134	19,383

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 2021	19,383	-	19,383
Additions	65,953	5,700	71,653
Amortisation expense	(62)	(840)	(902)
Balance at 30 June 2022	85,274	4,860	90,134

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	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

	2022 $	2021 $
Current liabilities		
Trade payables	83,039	43,316
Other payables	67,676	67,483
	150,715	110,799

Refer to note 26 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

	2022 $	2021 $
Current liabilities		
Loan - Fundsquire	363,947	-
Loan - Hunter Premium	16,500	-
	380,447	-

Refer to note 26 for further information on financial instruments.

The Fundsquire loan represents funding 80% of the anticipated R&D tax offset refund. The loan is expected to be repaid by 31 October 2022 at an interest rate of 1.25% per month.

If the loan is not repaid by the expected repayment date, the default repayment date is 31 December 2022 and the interest rate increases to 1.75% per month.

If the amount is not repaid by the default repayment date, it will pay interest on that amount (at a rate which, is the sum of 0.75% per month and the Step-Up Rate) from the due date until the date of payment.

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 01 January 2023 and incurs an interest rate of 22.59% per annum charged on the reducing balance each month.

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.

Note 14. Lease liabilities

	2022 $	2021 $
Current liabilities		
Lease liability	53,200	-

Refer to note 26 for further information on financial instruments.

Note 14. Lease liabilities (continued)

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

	2022 $	2021 $
Current liabilities		
Annual leave	34,377	17,428
Non-current liabilities		
Long service leave	14,025	6,621
	48,402	24,049

Accounting policy for employee benefits

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

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on 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.

Note 16. Issued capital (continued)

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	159,893,755	159,893,755	1,852,448	1,852,448
Convertible notes issued	-	-	2,750,000	2,750,000
	159,893,755	159,893,755	4,602,448	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.

(a) Movements in ordinary share capital

There were no movements in ordinary share capital during the financial year.

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

	2022 $	2021 $
Balance at 1 July 2021	6,700,000	-
Options transferred from Imunexus Limited	-	14,710,250
Options lapsed during the period	(2,000,000)	(8,010,250)
Balance at 30 June 2022	4,700,000	6,700,000

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	05/12/2018	200,000	$0.3000	5,646	04/12/2022
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**
		4,700,000		165,047	

*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.

**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).

Note 16. Issued capital (continued)

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.

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	$0.1200	$0.0750	100%	17/10/2023	5 years	2.36%	-	$0.0750
Options	$0.3000	$0.0750	100%	04/12/2022	4 years	2.12%	-	$0.0750
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

(d) Loan funded share plan

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.

During 2021, the following transactions occurred relating to loan funded shares subject to shareholder approval:
- 750,000 loan funded shares were transferred from Imunexus Limited to key management personnel
- 6,555,556 loan funded shares were transferred from Imunexus Limited to existing shareholders and advisors
- 7,000,000 loan funded shares were transferred from Imunexus Limited to related parties
- 500,000 loan funded shares were directly issued to existing shareholders and advisors
- 888,889 loan funded shares were directly issued to related parties

No loan funded shares were issued in 2022.

The general terms and conditions are as follows:

- The shares are not subject to vesting conditions, except for those issued to directors which are subject to shareholder approval.
- The loans are interest free and limited in recourse to the shares.
- They are repayable 8 years from grant date, on termination of employment or when the underlying equity is sold, whichever occurs earlier
- Loan shares issued under the plan carry dividend and voting rights.

The fair value at grant date of the shares was determined using a Black-Scholes Pricing Model or fair value for payment of services that took into account the loan amount per share, the term of the loan, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the loan. The assessed fair value is included in directors' fees and share based payments.

Note 16. Issued capital (continued)

Key inputs used included the following:

- Exercise price: $0.072
- Grant date: Multiple grant dates exist.
- Vesting date: 8 years from issue
- Share price at grant date: $0.075 or $0.060 (depending on the issue)
- Expected price volatility: 100%
- Risk free int rate: Bond yield rate between 0.74% and 1.19% as measured 8 years from grant date.
- Dividend yield: Nil

(e) Share-based payments

The amount expensed in relation to equity settled share-based payments to the statement of profit or loss and other comprehensive income was $nil.

	2022 $	2021 $
Value of loan shares granted to directors (subject to shareholder approval), shareholders and advisors	-	866,030
Value of options granted to directors, advisors, lenders and previous staff	-	939,520
Consideration payable	-	1,212,764
Share capital restructure	-	1,009,538
Employee entitlements	-	4,978
Closing balance	-	4,032,830

The share-based payment relates to the acquisition of the antibody enhancement business of Imunexus Limited that has been accounted for as an asset acquisition on 20 November 2020. As part of the terms of the purchase, equity holders of Imunexus Limited were issued equivalent equity holdings in Imunexus Therapeutics Limited.

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 2021 Annual Report.

Note 17. Reserves

	2022 $	2021 $
Options reserve	165,047	332,283
Loan share reserve	879,956	879,956
	1,045,003	1,212,239

Note 17. Reserves (continued)

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
Movements in each class of reserve during the current financial year are set out below:

	Options reserve $	Loan share reserve $	Total $
Balance at 1 July 2021	332,283	879,956	1,212,239
Options expired	(167,236)	-	(167,236)
Balance at 30 June 2022	165,047	879,956	1,045,003

Note 18. Dividends

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

Note 19. Key management personnel disclosures

(a) Compensation

	2022 $	2021 $
Short-term employee benefits	425,811	285,418
Post-employment benefits	28,711	11,062
Share-based payments	-	16,213
	454,522	312,693

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:

2021	Balance at 24 September 2020 (No.)	Issued as compensation (No.)	Asset restructure transfer* (No.)	Purchased during the period (No.)	Disposals (No.)	Balance at 30 June 2021 (No.)	Total vested 30 June 2021 (No.)
Mrs Philippa Lewis	-	-	-	8,352,055	-	8,352,055	8,352,055
Dr George Kopsidas	-	-	7,500,000	6,366,712	-	13,866,712	13,866,712
Mr Christopher Elliot	-	-	-	3,904,795	-	3,904,795	3,904,795
Mr Donald Brumley	-	500,000	-	3,181,301	-	3,681,301	3,681,301
Mr John Gaffney	-	-	-	1,027,397	-	1,027,397	1,027,397
	-	500,000	7,500,000	22,832,260	-	30,832,260	30,832,260

* 7,500,000 shares were issued to Dr George Kopsidas as part of the asset restructure with Imunexus Limited.

Note 19. Key management personnel disclosures (continued)

2022	Balance at 30 June 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.)
Mrs 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.

iii) Loan funded shares
During the period, the following loan shares were granted to related parties. The shares granted to directors will be issued subject to shareholder approval and will vest on issue. The shares granted to other related parties were issued and vested during the period:

2021	Balance at 24 September 2020 (No.)	Issued as compensation (No.)	Asset restructure transfer* (No.)	Purchased during the period (No.)	Disposals (No.)	Unissued and unvested at 30 June 2021 (No.)	Total issued and vested 30 June 2021 (No.)
Mrs Philippa Lewis	-	888,888	3,111,112	-	-	-	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
Mr John Gaffney	-	-	-	-	-	-	-
	-	888,888	6,861,112	-	-	-	7,750,000

*The above loan funded shares were issued as part of the asset restructure with Imunexus Limited.

2022	Balance at 30 June 2021 (No.)	Issued as compensation (No.)	Asset restructure transfer (No.)	Purchased during the period (No.)	Disposals (No.)	Unissued and invested at 30 June 2022 (No.)	Total issued and vested 30 June 2022 (No.)
Mrs 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

Note 20. 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:

	2022 $	2021 $
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	32,000	17,000
Other services - network firms		
Preparation of financial statements	3,500	4,000

Note 21. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 22. Commitments

There was no capital expenditure contracted for at reporting date but not provided for in the accounts.

Note 23. 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
There were no loans to or from related parties at the current and previous reporting date.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years. The Company has executed two term sheets subsequent to the reporting period, the first an option deed, research collaboration and license agreement with a global pharmaceutical, and the second a collaboration agreement with a research institute.

Note 25. Reconciliation of loss after income tax to net cash used in operating activities

	2022 $	2021 $
Loss after income tax expense for the year	(1,172,954)	(4,789,247)
Adjustments for:		
Depreciation and amortisation	40,410	492
Share-based payments	-	4,032,830
Other non-cash items	-	16,247
Change in operating assets and liabilities:		
Increase in trade and other receivables	(431,369)	(3,092)
Increase in prepayments	(35,970)	(16,378)
Increase in trade and other payables	39,916	110,800
Increase in employee benefits	24,353	24,049
Net cash used in operating activities	(1,535,614)	(624,299)

Note 26. 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.

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:

	2022 $	2021 $
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.

Note 26. Financial instruments (continued)

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 $380,447. 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 27. 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.

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.

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 2022 and of its performance for the financial year ended on that date; and

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

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

On behalf of the directors

____
Mrs Philippa Lewis
Non-Executive Chair

24 November 2022

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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 2022, 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 2022 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 Directors' 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
Director

Melbourne, 24 November 2022