

Appendix 4D
Half-Year Report for the period ended 31 December 2023

Company Details

Name of entity: PharmAust Limited
 ABN: 35 094 006 023
 Reporting period: For the half-year ended 31 December 2023
 Previous period: For the half-year ended 31 December 2022

Results for announcement to the Market
Financial Performance

PharmAust Limited – Consolidated			
(AUD 000')	Half-year ended 31 Dec 2023 \$000	Half-year ended 31 Dec 2022 \$000	Movement %
Revenue	861	966	-11%
(Loss) before tax attributable to members	(389)	(21)	-1752%
(Loss) after tax attributable to members	(389)	(21)	-1752%

Review of Operations

Refer to Directors' Report included in the attached half-year financial report.

Dividends

No Dividends were paid or declared for payment during the half-year period.

Net Tangible Asset Backing

	Half-year ended 31 Dec 2023	Half-year ended 31 Dec 2022
Net tangible asset backing	1.16 cents	0.25 cents

Loss of control over entities

Name of entities (or group of entities) Epicchem Pty Ltd

Date control loss 31/07/2023

Auditor's Review

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

The Interim Report of PharmAust Limited for the half year ended 31 December 2023 is attached.

Signed in accordance with a resolution of Directors.

On behalf of the Directors



Sam Wright
Director

Signed at Perth this 29th day of February 2024

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**PHARMAUST LIMITED
ABN 35 094 006 023
AND ITS CONTROLLED ENTITIES**

**Interim Financial Report
for the half-year ended 31 December 2023**

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**PHARMAUST LIMITED
DIRECTORS' REPORT**

The directors of PharmAust Limited submit the financial report of the consolidated entity for the half-year ended 31 December 2023.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Dr Roger Aston
Mr Neville Bassett AM
Mr Robert Bishop
Mr Sam Wright
Dr Thomas Duthy (appointed on 5 February 2024)

RESULTS

The operating loss for the consolidated entity for the half-year ended 31 December 2023 was \$389,244 (2022: loss of \$21,184).

PRINCIPAL ACTIVITIES

The principal continuing activities constituted by PharmAust Limited and the entities it controlled during the year were to develop its own drug discovery intellectual property for the treatment of different types of cancers and neurological diseases.

REVIEW OF OPERATIONS

Research and Development

MOTOR NEURONE DISEASE PROGRAM

On 1 December 2023, PharmAust announced the successful completion of its Phase 1 MEND Study of monepantel (MPL) for treating motor neurone disease (MND/ALS). This milestone was marked by all patients completing the study, with the release of top-line results anticipated in Q1 CY24.

Importantly, all patients could swallow and breathe unassisted and expressed interest in participating in a 12-month Open-Label Extension (OLE) Study. The Phase 1 MEND Study involved 12 patients with MND/ALS and aimed to determine the recommended Phase 2 dose of MPL based on safety and preliminary efficacy.

A Safety Monitoring Committee oversaw the new dose levels during the progression of the study. There were no deaths or treatment-related serious adverse events reported.

PharmAust also applied for Orphan Drug Designation (ODD) with the United States (US) Food and Drug Administration, aligning with its plan to commence an adaptive Phase 2/3 study in H1 CY24. This designation could offer significant incentives, including tax credits and 7-year market exclusivity post-approval.

In December, the Company announced that FightMND, Australia's leading not-for-profit foundation for Motor Neurone Disease (MND) research, had invited the company to submit a complete grant application to support the Phase 2/3 clinical study. This is a multicentre, randomised, placebo-controlled, adaptive Phase 2/3 clinical study aimed at evaluating the safety and efficacy of MPL in patients with MND/ALS over 48 weeks.

The Company also announced that all 12 patients involved in the Phase 1 MEND Study were pleased and available to continue treatment with MPL under a compassionate-use program administered by their treating physician, either Associate Professor Susan Mathers or Professor Dominic Rowe, to be eligible for the OLE study that is due to commence early in 2024.

PHARMAUST LIMITED
DIRECTORS' REPORT (continued)

VETERINARY ONCOLOGY STUDY

During October, the Company announced positive top-line data from its Phase 2 veterinary clinical study of MPL for treating Canine B-Cell Lymphoma. The study, designed as a Phase 2 open-label, single-arm dose-finding study, involved various MPL dosing regimens to determine the most effective and safe treatment option.

The study yielded encouraging results, showing that MPL treatment was safe, well-tolerated, and resulted in no treatment-related deaths or severe adverse reactions. The Overall Clinical Benefit was 35% (14 out of 40 dogs), with a median Time to Progression (TTP) of 28 days, favourably compared to the most recent FDA-approved product for B-cell and T-cell lymphoma, LAVERDIATM. MPL also demonstrated a significant competitive advantage over LAVERDIATM in terms of Quality of Life (QoL) and Level of Function (LoF) as assessed by dog owners.

B-Cell Lymphoma is an aggressive form of cancer – without treatment it is often fatal within weeks of diagnosis. PharmAust's studies have shown MPL extends survival three-fold to a median of 150 days while maintaining excellent quality of life. Significantly, MPL is a cost-effective way for owners to safely manage their pet's cancer at home, an important factor in the viability of a commercial companion animal drug.

Given these positive outcomes, PharmAust plans to use this data to open an Investigational New Animal Drug (INAD) application with the United States Food and Drug Administration's Center for Veterinary Medicine (CVM) and proceed with pivotal studies in 2024 to support product registration.

Earlier in the reporting period PharmAust announced an additional milestone in the Phase 2 veterinary study, with a patient in the canine trial surpassing 365 days with stable disease and continued excellent quality of life.

EPICHEM LIQUIDATION

PharmAust announced the voluntary liquidation of its wholly owned subsidiary Epichem. The decision was largely due to the loss of the longstanding DNDi research contract that funded Epichem to research new treatments for neglected diseases. Epichem then operated at a loss that was funded by PharmAust.

Epichem, as a CRO, heavily relied on the pharmaceutical sector which has been significantly impacted by COVID-19 and other movements in the industry.

CORPORATE

Key Management Hires

In August, PharmAust appointed Dr Michael Thurn as Chief Executive Officer (CEO). Dr Thurn has substantial experience in drug discovery, development, regulation and commercialisation through leadership roles ranging from research organisations to publicly listed biotechnology companies.

His previous responsibilities have included leading a variety of US Food and Drug Administration (FDA) Investigational New Drug (IND) applications across a range of therapeutic areas and the evaluation of drugs and vaccines for registration in Australia as a part of the Drug Safety Evaluation Branch (DSEB) of the Therapeutics Goods Administration (TGA).

Michael has also been responsible for the execution of Phase 1 and 2 clinical trials and business development activities across animal and human health products. He possesses strong entrepreneurial, leadership and management skills that have seen him achieve outstanding results over a 25-year career in the biotechnology industry, including co-founding MARP Therapeutics and roles with Botanix Pharmaceuticals (ASX:BOT), Mimetica, Spinifex Pharmaceuticals, Cytopia, Xenome and Novogen. During this time, Michael has gained Australian and US capital markets exposure and has successfully accessed funding through private and public channels, partnerships and non-dilutive means.

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PHARMAUST LIMITED
DIRECTORS' REPORT (continued)

Dr Roger Aston remains Chairman of the Board and has transitioned into a non-executive role. He continues to advise PharmAust with his 40 years' experience in the pharmaceutical and healthcare industry.

Dr Carol Worth joined the Company as the Chemistry, Manufacturing and Controls (CMC) Operations Manager, bringing over 30 years of experience in the pharmaceutical industry. Her expertise is expected to significantly contribute to the GMP manufacture of MPL and provide clinical supplies for upcoming studies.

John Clark was appointed to the role of Clinical Operations Manager during the period. He has over 20 years of experience managing global phase I – IV clinical trials and his role will focus on leading global clinical operations as PharmAust positions itself as a leading developer in neurodegenerative medicines.

Subsequent to balance date, in February highly regarded biotechnology executive and advisor Dr Thomas Duthy was appointed as a Non-Executive Director of PharmAust. Dr Duthy has over 19 years of direct financial market and executive level/Board experience with ASX-listed companies. He is a Director and Founder of Nemean Group, which provides corporate advisory and investor relations (IR) services in the Life Sciences and Technology sectors.

Funding Activities

PharmAust raised approximately \$3.46 million during December through an oversubscribed placement led by Blue Ocean Equities at a 10.8% premium to the 30-day volume-weighted average price (VWAP), reflecting growing confidence from new institutional shareholders in the Company's achievements and prospects.

Specialist institutional investor Merchant Biotech Fund and associated parties applied for \$2.1m, while the remaining \$1.4 million was placed with other institutional and sophisticated investors, including PharmAust's Finance Director and Company Secretary, Sam Wright.

In November 2023, PharmAust initiated an Options Offer to holders of lapsed PAAO Listed Options, aiming to raise to \$396,124.56 by offering new options at 0.5 cents each. This strategic financial move was designed to bolster the Company's funding for its ongoing and future projects. The Offer concluded with an impressive 93% uptake, resulting in a total subscription of \$367,747.68.

PharmAust also announced the receipt of a refund from the Australian Taxation Office (ATO) under the Research and Development Tax Incentive (RDTI) scheme. The company received a sum of \$553,435.28 as a refundable amount on its 2023 Tax Return. The RDTI scheme, jointly administered by the ATO and AusIndustry, provides up to a 43.5% refundable tax offset on eligible expenses for research and development activities.

ANNUAL GENERAL MEETING

On 20 November 2023, PharmAust held its Annual General Meeting of Shareholders at the offices of RSM Australia, Level 21, 55 Collins St, Melbourne VIC 3000.

All resolutions that were put were passed by a poll.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 31 July 2023, the consolidated entity put Epichem Pty Limited (EPC) into voluntary liquidation, as a result, the group loss control of EPC.

Other than the above, there were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

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PHARMAUST LIMITED
DIRECTORS' REPORT (continued)

SUBSEQUENT EVENTS

On 27 February, the Company announced that it has met its primary safety and tolerability endpoints with monepantel (MPL) and, importantly, demonstrated a positive signal of potential efficacy. Rates of disease progression in patients with Motor Neurone Disease (MND) / Amyotrophic Lateral Sclerosis (ALS) measured by changes in ALSFRS-R may be slowed by 58% for Cohort 2, when compared to an external control cohort (PRO-ACT database).

On 16 February 2024, the Company announced it had successfully completed a pre-IND meeting with the FDA, who provided positive feedback and outlined the path required to potentially receive accelerated and full approval of monepantel for the treatment of MND/ALS. PharmAust will initiate requirements requested by the FDA in the preparation to open an IND application for the adaptive Phase 2/3 clinical study.

Earlier in February PharmAust announced the commencement of its 12-month Open-Label Extension study in MND/ALS patients, after all 12 patients from the Phase 1 MEND Study requested to be enrolled, meeting the minimum requirement of being able to swallow. This followed the earlier announcement of Ethics Committee Approval of the extension study. This announcement also outlined that statistical survival estimations based on comparisons to the PRO-ACT historical MND/ALS database, points to the probability that all 12 patients treated with monepantel being alive today being less than 1 in 1,000.

In January the Company received feedback from the FDA with regards to the Orphan Drug Designation (ODD) application for MPL. The FDA requested clinical trial data to support the granting of ODD for the treatment of MND/ALS, with data from the Phase 1 MEND Study due for release in Q1 CY24. The FDA will allow PharmAust to submit an amendment to its ODD application rather than reapplying with an entirely new application.

On 16 January 2024 PharmAust announced it has partnered with leading MND/ALS clinical study design and statistical analysis specialists Berry Consultants. US-based Berry Consultants has a strong track-record of innovative clinical trial design and experience with the FDA, as well as being part of the advisory committee meeting for the recent FDA accelerated approval of Amylyx Pharmaceutical's Relyvrio® for MND/ALS. Berry has also been integral to the Healey ALS Platform Trial. Berry will oversee the design of PharmAust's adaptive Phase 2/3 study to best position monepantel for FDA approval for the treatment of MND/ALS.

On 19 January 2024, the Company issued 1,125,000 Performance Rights to John Clark under the Employee Incentive Plan.

On 19 January 2024, the Company issued 1,000,000 options to Dr Michael Thurn and 250,000 options to John Clark (Exercise Price of 17.5 cents and expiry date 19/01/2026)

On 6 February 2024, the Company issued 1,020,948 shares from the exercise of PAAOA options.

On 13 February 2024, the Company issued 500,000 shares to Dr Michael Thurn from the achievement of milestone 1 of his Performance Rights being, prior to 31/8/25, the Company achieves a market capitalisation of at least \$50,000,000 for a continuous period of 20 Trading Days on which Shares have actually traded.

On 23 February 2024, the company issued 450,000 shares and 300,000 PAAOA options to Sam Wright for the third tranche of the Placement as per Appendix 3B dated 18 December 2023 and approved by shareholders on Wednesday 21 February 2024.

On 23 February 2024, the Company issued 280,000 shares to NWR Communications Pty Ltd as consideration for 6 months investor and media relations.

On 23 February 2024, the Company issued 1,500,000 advisor options (Exercise Price of 17.5 cents and expiry date 19/01/2026) as per the terms of a mandate agreement dated 15 January 2024. The options were issued as consideration for 12 months corporate advisory focused on introductions to high quality institutional and sophisticated investors, which are likely to strengthen the company's share register and be supportive of PAA's long-term strategic objectives.

On 28 February 2024, the Company issued 1,185,220 shares from the exercise of options.

Apart from the above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**PHARMAUST LIMITED
DIRECTORS' REPORT (continued)**

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

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

On behalf of the directors



Sam Wright
Director

Signed at Perth this 29th day of February 2024

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General information

The financial statements cover PharmAust Limited as a consolidated entity consisting of PharmAust Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is PharmAust Limited's functional and presentation currency.

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

Registered office

Suite 116/1 Kyle Way
Claremont WA 6010

Principal place of business

Suite 116/1 Kyle Way
Claremont WA 6010

A description of the nature of the consolidated entity'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 29th February 2024.

PHARMAUST LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2023

	Note	Consolidated 31 December 2023 \$	31 December 2022 \$
Revenue	3	-	-
Other income	3	861,302	967,199
Total revenue		<u>861,302</u>	<u>967,199</u>
Research and development expenses		(1,324,355)	(429,581)
Share-based payment (expense)/reversal		(76,616)	92,506
Administration expenses		(740,644)	(495,895)
Employee benefits expense		(323,002)	(202,144)
Total expenses		<u>(2,464,617)</u>	<u>(1,035,114)</u>
Income tax expense		-	-
(Loss) after income tax expense from continuing operations		<u>(1,603,315)</u>	<u>(67,915)</u>
Profit after income tax expense from discontinued operations	6	<u>1,214,071</u>	<u>46,731</u>
Other comprehensive income		-	-
Total comprehensive loss for the half-year		<u>(389,244)</u>	<u>(21,184)</u>
		Cents	Cents
Basic and diluted (loss) per share from continuing operations attributable to the owners of PharmAust Limited (cents per share)		(0.46)	(0.02)
Basic and diluted earnings per share for profit from discontinued operations attributable to the owners of PharmAust Limited (cents per share)		0.35	0.01

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

PHARMAUST LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	Consolidated 31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		5,451,622	2,705,941
Trade and other receivables		-	148,233
Other current assets		128,418	167,054
TOTAL CURRENT ASSETS		<u>5,580,040</u>	<u>3,021,228</u>
NON-CURRENT ASSETS			
Intangible assets		3,107,477	3,107,476
Property, plant and equipment		1,641	1,641
TOTAL NON-CURRENT ASSETS		<u>3,109,118</u>	<u>3,109,117</u>
TOTAL ASSETS		<u>8,689,158</u>	<u>6,130,345</u>
CURRENT LIABILITIES			
Trade and other payables		1,096,835	873,485
Provisions		75,232	262,786
Lease liabilities		-	158,454
Accrued Expenses		54,450	52,641
TOTAL CURRENT LIABILITIES		<u>1,226,517</u>	<u>1,347,366</u>
NON-CURRENT LIABILITIES			
Provisions		-	3,341
Lease liabilities		-	890,503
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>893,844</u>
TOTAL LIABILITIES		<u>1,226,517</u>	<u>2,241,210</u>
NET ASSETS		<u>7,462,641</u>	<u>3,889,135</u>
EQUITY			
Issued capital	5	61,170,220	57,632,711
Options and performance rights reserve	4	3,140,552	2,715,313
Accumulated losses		(56,848,131)	(56,458,889)
TOTAL EQUITY		<u>7,462,641</u>	<u>3,889,135</u>

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

PHARMAUST LIMITED
STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2023

Note	Issued Capital	Accumulated Losses	Options and Performance rights reserve	Total
	\$	\$	\$	\$
As at 1 July 2022	55,343,941	(50,247,327)	2,747,820	7,844,434
Loss for the period	-	(21,184)	-	(21,184)
Total comprehensive loss for the period	-	(21,184)	-	(21,184)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	-	(92,506)	(92,506)
As at 31 December 2022	55,343,941	(50,268,511)	2,655,314	7,730,744

Note	Issued Capital	Accumulated Losses	Options and Performance rights reserve	Total
	\$	\$	\$	\$
As at 1 July 2023	57,632,710	(56,458,887)	2,715,312	3,889,135
Loss for the period	-	(389,244)	-	(389,244)
Total comprehensive loss for the period	-	(389,244)	-	(389,244)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued (net of costs)	3,487,510	-	-	3,487,510
Issue of options (net of costs)	-	-	409,850	409,850
Share-based payments	4 50,000	-	15,390	65,390
As at 31 December 2023	61,170,220	(56,848,131)	3,140,552	7,462,641

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

PHARMAUST LIMITED
STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2023

	Consolidated	
	31 December 2023 \$	31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	146,823	1,548,951
Payments to suppliers and employees	(1,055,765)	(2,578,744)
Interest received	4,110	2,240
Other income	857,560	993,185
Interest paid	-	(42,014)
Net cash (used in) operating activities	<u>(47,272)</u>	<u>(76,382)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	-	(260)
Payments for intangible assets	-	(168)
Cash outflow on disposal of subsidiary	6 (165,227)	-
Net cash (used in) investing activities	<u>(165,227)</u>	<u>(428)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	-	(210,116)
Repayment of lease liabilities	-	(67,101)
Proceeds from issue of shares	2,575,869	-
Payments of share issue costs	(13,814)	-
Proceeds from issue of options	396,125	-
Net cash from/(used in) financing activities	<u>2,958,180</u>	<u>(277,217)</u>
Net movement in cash and cash equivalents	2,745,681	(354,027)
Cash and cash equivalents at the beginning of the financial period	2,705,941	2,415,616
Cash and cash equivalents at the end of the financial period	<u>5,451,622</u>	<u>2,061,589</u>

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

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

1. MATERIAL ACCOUNTING POLICY INFORMATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SEGMENT INFORMATION

The consolidated entity has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors has considered the business from both a geographic and business segment perspective and the following are the reportable segments under AASB 8.

	Corporate	Research (Continuing)	Pharmaceutical (Discontinued)	Total
	\$	\$	\$	\$
31 December 2023				
Revenue				
External sales	-	-	82,684	82,684
Other external revenue	860,706	596	369	861,671
Total revenue	<u>860,706</u>	<u>596</u>	<u>83,053</u>	<u>944,355</u>

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

2. SEGMENT INFORMATION (CONTINUED)

	Corporate \$	Research (Continuing) \$	Pharmaceutical (Discontinued) \$	Total \$
31 December 2023				
Results				
Segment net (loss) before tax	(1,603,842)	527	1,214,071	(389,244)
Interest income	3,359	596	-	3,955
Segment assets				
Segment operating assets	5,514,859	3,174,299	-	8,689,158
Segment liabilities				
Segment operating liabilities	(1,226,517)	-	-	(1,226,517)
	Corporate \$	Research (Continuing) \$	Pharmaceutical (Discontinued) \$	Total \$
31 December 2022				
Revenue				
External sales	-	-	-	-
Other external revenue	966,620	579	-	967,199
Total revenue	966,620	579	-	967,199
Results				
Segment net profit (loss) before tax	(68,494)	579	46,731	(21,184)
Interest income	1,342	579	-	1,921

CONSOLIDATED
31 DECEMBER 2023 **31 DECEMBER 2022**
\$ **\$**

3. REVENUES

<i>Revenue from contracts with customers</i>			
Sale of goods		-	-
Rendering of services		-	-
<i>Other revenue</i>			
Interest income		3,955	1,920
R&D tax incentive		553,435	654,109
Grant income received		288,277	311,170
Other revenue		15,635	-
		861,302	967,199
<i>Timing of revenue recognition</i>			
Goods delivered at a point in time		861,302	967,199
Services delivered over time		-	-
		861,302	967,199

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

	CONSOLIDATED	
	31 DECEMBER	30 JUNE
	2023	2023
	\$	\$
4. OPTIONS AND PERFORMANCE RIGHTS RESERVE		
Options reserve	3,125,162	2,715,313
Performance rights reserve	15,390	-
	3,140,552	2,715,313

	Balance at 1 July 2023	Granted	Exercised	Expired/ Other	Balance at 31 December 2023
	No.	No.	No.	No.	No.
Options	97,608,642	99,132,421	(3,724)	(79,224,912)	117,512,427

The weighted average remaining contractual life of options outstanding at period-end was 2.33 years (30 June 2023: 0.79 years).

	Balance at 1 July 2023	Granted	Exercised	Lapsed/ Other	Balance at 31 December 2023
	No.	No.	No.	No.	No.
Performance rights	-	2,400,000	-	-	2,400,000

No of rights issued	Grant date	Fair value	Milestone
150,000	1 September 2023	\$0.075	The executive is engaged as an employee for a continuous period of 3 months from the commencement date.
500,000	1 September 2023	\$0.030	Prior to 31 August 2025, the Company achieves a market capitalization of at least \$50 million for a continuous period of 20 trading days on which shares have traded.
750,000	1 September 2023	\$0.014	Prior to 31 August 2025, the Company achieves a market capitalization of at least \$75 million for a continuous period of 20 trading days on which shares have traded.
1,000,000	1 September 2023	\$0.0079	Prior to 31 August 2025, the Company achieves a market capitalization of at least \$100 million for a continuous period of 20 trading days on which shares have traded.

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PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

	CONSOLIDATED			
	31 DECEMBER 2023 SHARES	30 JUNE 2023 SHARES	31 DECEMBER 2023 \$	30 JUNE 2023 \$
5. ISSUED CAPITAL				
Ordinary shares – fully paid	374,065,597	347,474,940	61,170,220	57,632,711

Movement in fully paid ordinary shares;

	ISSUE PRICE \$	NO OF SHARES	\$
1 July		347,474,940	57,632,711
Issuance of shares	0.08	1,300,000	104,000
Conversion of options	0.20	3,724	744
Issuance to advisor	0.07	675,676	50,000
Issuance of shares	0.10	24,611,257	2,499,503
Cash received in advance pending allotment of shares*			1,075,000
Share issue costs			(191,738)
		374,065,597	61,170,220

*10,750,000 shares were issued at \$0.10 per share on 2 January 2024 with respect to capital raising.

6. DISCONTINUED OPERATIONS

On 31 July 2023, the consolidated entity put Epichem Pty Limited (EPC) into voluntary liquidation, as a result, the group loss control of EPC and EPC was classified as a discontinued operations for the half year ended 31 December 2023.

Financial performance information

	CONSOLIDATED	
	31 DECEMBER 2023 \$	31 DECEMBER 2022 \$
Sales of good	82,684	1,915,093
Interest	369	29,247
Total revenue	83,053	1,944,340
Raw materials and consumables used	(7,029)	(169,071)
Administration expenses	(61,964)	(443,339)
Employees benefits expenses	(146,491)	(1,079,693)
Depreciation and amortisation expenses	-	(163,492)
Interest expenses	-	(42,014)
Total expenses	(215,484)	(1,897,609)
(Loss)/Profit before income tax expenses	(132,431)	46,731
Income tax expense	-	-
(Loss)/Profit after income tax expense	(132,431)	46,731
Profit on disposal before income tax	1,346,502	-
Income tax expense	-	-
Profit on disposal after income tax expense	1,346,502	-
Profit after income tax expense from discontinued operations	1,214,071	46,731

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

6. DISCONTINUED OPERATION (CONTINUED)

Cash flow information

	CONSOLIDATED	CONSOLIDATED
	31	31
	DECEMBER	DECEMBER
	2023	2022
	\$	\$
Net cash (used in)/from operating activities	(82,747)	218,503
Net cash used in investing activities	-	(428)
Net cash used in financing activities		(67,101)
Net (decrease)/increase in cash and cash equivalents from discontinued operations	(82,747)	150,974

Carrying amounts of assets and liabilities disposed

	CONSOLIDATED
	31 DECEMBER
	2023
	\$
Cash and cash equivalents	165,227
Trade and other receivables	86,591
Total assets	251,818
Trade and other payables	360,448
Provisions	188,916
Lease liabilities	1,048,956
Total liabilities	1,598,320
Net liabilities	1,346,502

Details of the disposal

	CONSOLIDATED
	31 DECEMBER
	2023
	\$
Total sale consideration	-
Carrying amount of net liabilities disposed	1,346,502
Profit on disposal before income tax	1,346,502
Profit on disposal after income tax	1,346,502

7. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the half-year.

8. CONTINGENT LIABILITIES AND ASSETS

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

9. SUBSEQUENT EVENTS

On 27 February, the Company announced that it has met its primary safety and tolerability endpoints with monepantel (MPL) and, importantly, demonstrated a positive signal of potential efficacy. Rates of disease progression in patients with Motor Neurone Disease (MND) / Amyotrophic Lateral Sclerosis (ALS) measured by changes in ALSFRS-R may be slowed by 58% for Cohort 2, when compared to an external control cohort (PRO-ACT database).

On 16 February 2024, the Company announced it had successfully completed a pre-IND meeting with the FDA, who provided positive feedback and outlined the path required to potentially receive accelerated and full approval of monepantel for the treatment of MND/ALS. PharmAust will initiate requirements requested by the FDA in the preparation to open an IND application for the adaptive Phase 2/3 clinical study.

Earlier in February PharmAust announced the commencement of its 12-month Open-Label Extension study in MND/ALS patients, after all 12 patients from the Phase 1 MEND Study requested to be enrolled, meeting the minimum requirement of being able to swallow. This followed the earlier announcement of Ethics Committee Approval of the extension study.

This announcement also outlined that statistical survival estimations based on comparisons to the PRO-ACT historical MND/ALS database, points to the probability that all 12 patients treated with monepantel being alive today being less than 1 in 1,000.

Also in February highly regarded biotechnology executive and advisor Dr Thomas Duthy was appointed as a Non-Executive Director of PharmAust. Dr Duthy has over 19 years of direct financial market and executive level/Board experience with ASX-listed companies. He is a Director and Founder of Nemean Group, which provides corporate advisory and investor relations (IR) services in the Life Sciences and Technology sectors.

In January the Company received feedback from the FDA with regards to the Orphan Drug Designation (ODD) application for MPL. The FDA requested clinical trial data to support the granting of ODD for the treatment of MND/ALS, with data from the Phase 1 MEND Study due for release in Q1 CY24. The FDA will allow PharmAust to submit an amendment to its ODD application rather than reapplying with an entirely new application.

On 16 January 2024 PharmAust announced it has partnered with leading MND/ALS clinical study design and statistical analysis specialists Berry Consultants. US-based Berry Consultants has a strong track-record of innovative clinical trial design and experience with the FDA, as well as being part of the advisory committee meeting for the recent FDA accelerated approval of Amylyx Pharmaceutical's Relyvrio® for MND/ALS. Berry has also been integral to the Healey ALS Platform Trial. Berry will oversee the design of PharmAust's adaptive Phase 2/3 study to best position monepantel for FDA approval for the treatment of MND/ALS.

On 19 January 2024, the Company issued 1,125,000 Performance Rights to John Clark under the Employee Incentive Plan.

On 19 January 2024, the Company issued 1,000,000 options to Dr Michael Thurn and 250,000 options to John Clark (Exercise Price of 17.5 cents and expiry date 19/01/2026)

On 6 February 2024, the Company issued 1,020,948 shares from the exercise of PAAOA options.

On 13 February 2024, the Company issued 500,000 shares to Dr Michael Thurn from the achievement of milestone 1 of his Performance Rights being, prior to 31/8/25, the Company achieves a market capitalisation of at least \$50,000,000 for a continuous period of 20 Trading Days on which Shares have actually traded.

On 23 February 2024, the company issued 450,000 shares and 300,000 PAAOA options to Sam Wright for the third tranche of the Placement as per Appendix 3B dated 18 December 2023 and approved by shareholders on Wednesday 21 February 2024.

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2023

9. SUBSEQUENT EVENTS (CONTINUED)

On 23 February 2024, the Company issued 280,000 shares to NWR Communications Pty Ltd as consideration for 6 months investor and media relations.

On 23 February 2024, the Company issued 1,500,000 advisor options (Exercise Price of 17.5 cents and expiry date 19/01/2026) as per the terms of a mandate agreement dated 15 January 2024. The options were issued as consideration for 12 months corporate advisory focused on introductions to high quality institutional and sophisticated investors, which are likely to strengthen the company's share register and be supportive of PAA's long-term strategic objectives.

On 28 February 2024, the Company issued 1,185,220 shares from the exercise of options.

Apart from the above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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**PHARMAUST LIMITED
DIRECTORS' DECLARATION**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Sam Wright
Director

Signed at Perth this 29th day of February 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of PharmAust Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of PharmAust Limited (the Company) which comprises statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

THE POWER OF BEING UNDERSTOOD

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Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A stylized, handwritten-style logo for RSM.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'AIK KONG TING'.

AIK KONG TING
Partner

Perth, WA
Dated: 29 February 2024



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of PharmAust Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 29 February 2024

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