IMUNEXUS LIMITED

(ABN 55 602 853 485)

2020 ANNUAL REPORT

CONTENTS

DIRECTORS' REPORT

The Board of Directors of Imunexus Limited ("Imunexus" or the "Company") has resolved to submit the following report together with the financial statements of the Company for the year ended 30 June 2020.

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 (Chair)
Dr. George Kopsidas (CEO)
Dr Timothy Oldham (retired 24/01/2020)

Details of each director's qualifications and special responsibilities, together with meetings attended, are set forth in other parts of this report.

Company Secretary:

Mr. Christopher Elliot

Principal activities

As noted in the 2019 Financial Report, from March 2019 as a result of the requirements to balance the need of obtain further funding to continue scientific development of potential products and against the challenge of obtaining such funding, the board implemented its hibernation cashflow management strategy (referred to hereon as 'hibernation'), with cessation of all expenditure that could be terminated and deferral of payments negotiated with all trade creditors. The board noted the cash flow management strategy was to remain in place with a cash flow review and essential payments approved weekly.

The purpose of the hibernation was to ensure that cash was preserved to provide time for the strategic capital plan to be actioned, whilst trying to preserve the value of the patents and IP. As at the date of this report, the Company remains in temporary hibernation subject to the successful raising of additional capital.

Review of operations

Research and Development Programs

CD3 Program

The CD3 science program which began in January 2016, is ongoing and has identified a number of potential lead candidates that were processed, manufactured and are currently awaiting further characterisation. Several "T-cell activating epitope specific" pans have also been completed and are awaiting high through put screening.

Half-Life Extension Program

Several Imunexins that bind to human serum albumin (HSA) were identified in the past. Currently, a lead candidate has been selected and characterised. This HSA binding Imunexin lead was selected for binding to HSA with different binding strengths at different physiological pH's which is a physical requirement for enabling an increase in serum half-life. This lead was used to generate a bispecific based on a marketed, off patent monoclonal antibody used extensively for the treatment of autoimmune disease (potential product IMX106). IMX106 is awaiting small scale manufacturing and subsequent testing in animal studies.

Anti-Allergy Program

The peanut allergy program began in November 2016 with the formulation of the research strategy, identification of a known food allergen as a good candidate to move forward and the construction of an allergen+Imunexin(B7) bispecific precursor for the product IMX107. The allergen+Imunexin(B7) bispecific was expressed, purified and showed good binding to both B7 and to an anti-allergen monoclonal antibody indicating proper protein folding and binding by both arms of the bispecific simultaneously. The IMX107 precursor is currently waiting for a CD3, T-cell activating Imunexin (from the CD3 program above) which will replace the B7 Imunexin to finalise the IMX107 product candidate.

Targeted Effector Cells

A new program was started in mid-2019 to develop the Company's Imunexin technology for the cell-specific targeting of a number of effector cells including a variety of stem cells. The research strategy and approach was finalised and the materials required for the initial stages of the program were identified.

IP Position

The Company's core patent was filed internationally on the 27 February 2017 with a priority date of 26 February 2016 and an international publication date of 31 August 2017 (WO 2017/143406). There have been a number of office actions via Imunexus and our patent attorneys in this time period. The patent was granted in Australia on the 4 September 2018 after Imunexus and the Company's patent attorneys addressed a number of questions that were raised by the AUS Patent Office.

Examination has now reached the equivalent stage in the EU and USA with the same questions that were raised by the AUS Patent Office, being raised by the EU and USA Patent Offices. The Company along with our patent attorneys, are currently preparing a detailed response to the UK and USA examinations in line with those provided per the AUS examination.

COVID-19

The Victorian Government announced a State of Emergency on 16 March 2020, and subsequently a State of Disaster on 2 August 2020 with "Stage 4" restrictions were applied to Metro Melbourne. Imunexus is within Metro Melbourne. The State of Emergency and State of Disaster were further extended on 11 October 2020 to 08 November 2020.

Due to the company being in hibernation mode during the entire pandemic period to date, COVID-19 has had no significant impact on the Company's current business processes or commercialisation strategy. However, due to continued government lockdowns in various jurisdictions the pandemic may result in delays with the fund raising currently being undertaken.

Financial summary

The financial results of the Company for the year ended 30 June 2020 are summarised as follows:

Statement of financial position:

- Cash and cash equivalents held of $15,375 (2019: $40,718) at reporting date.
- The Company's policy is to hold its cash and cash equivalent deposits in "A" rated or better deposits.
- The Company's strategy is to outsource product development expenses including manufacturing, regulatory and trial expenses, to specialist, best of breed partner organisations. As a consequence, the Company does not intend to incur substantial commitments for capital expenditure in the immediate future.

Operating results

- The Company incurred a loss from ordinary activities after income tax of $720,001 (2019: $1,861,518).
- Revenue including other income during the period was $Nil (2019: $126,845). The Company was unable to claim a R&D Tax Incentive rebate in 2020 (2019: $126,845).
- Total operating expenses for the period were $720,001 (2019: $1,988,363). Research and development costs have been expensed in the year in which they were incurred. The decrease in expenditure is primarily due to the fact that the Company has been forced to cease all activities while it seeks additional funding. The Company has only been able to ensure that its intellectual property continues to be protected through patents.

Statement of cash flows

- The Company's cash inflow/(outflow) from operations over the period was $50,674 (2019: ($220,477)).
- The increase is primarily due to the receipt of the prior year R&D Tax Incentive and the reduced operational spend whilst the Company was in the process of raising capital.

Going Concern

The company reports the following:

- incurred a loss for the year of $720,001 (2019: $1,861,518)
- maintains a cash balance as at 30 June 2020 of $15,375 (2019: $40,718) with cash inflow/(outflow) from operations over the period of $50,674 (2019: ($220,477))
- that current liabilities exceeded its current assets by $1,401,124 (2019: $1,001,500)
- it had net deficiency of assets over liabilities of $1,401,124 (2019: $1,001,500)
- A conscious decision was made by the Board during the 2019 financial year to place the company in a temporary hibernation in an effort to conserve its cashflow, while preserving the value of the patents and IP.

As at the date on which these financial statements were signed, the company remains in hibernation and the Board recognises that the Company is required to gain access to additional funding. The directors have reviewed the cash flow requirements of the company for the 12 months from when the financial statements are authorised and recognise that the company requires capital to continue enable the Company to come out of hibernation and to resume its operations, research and development programs and to ensure that it can pay its debts as and when they fall due. The board has and continues to closely monitor the company's expenses and cash flow.

In August 2020, the company engaged and commenced working closely with a new corporate advisor to assist in the raising of capital. The Company under the guidance of the corporate advisor has prepared detailed collateral for investors to review and has commenced a vigorous program (the Strategic Capital Plan) meeting target investors including:

- Current Shareholders;
- Family offices;
- Stock broking firms;
- Aligned or complimentary listed entities;
- High Net Worth Individual's; and
- Various other funds or service providers in Australia and offshore.

With the Strategic Capital Plan in place and active, the Board is reasonably confident the Company will be able to raise sufficient capital to secure the Company's ongoing operations and scientific program, deeming this the best course of action to protect all stakeholders. In consideration to the request of potential incoming investors that the existing IP and equipment assets be transferred to a new entity, the Company incorporated a 100% owned subsidiary, Imunexus Therapeutics Limited on 24 September 2020. In October 2020, the Company received written indication from its corporate advisor that it is in the process of finalising the commitments with cornerstone investors pending the completion of procedural and legal matters and there is an expectation of finalising the strategic capital raise by mid-December 2020.

To this end, in conjunction with its corporate and legal advisors, the Board has drafted and has commenced work to execute the following suite of agreements to facilitate the sale of business assets (as a cash transaction to facilitate the payment of liabilities) and the transfer of shareholders and option holders in exchange for shares and options in the subsidiary (in specie transfer), referred to as 'Sale of Business agreement' hereafter, in order to satisfy the request of the new investors (with a proposed investment totalling $3,500,000, before costs):

- taxation consolidation agreements and tax funding arrangements,
- sale of business agreement,
- Notice of AGM to facilitate the potential restructure, and
- Prospectus to support the capital raise.

The Board recognises that in the event that the Company is unsuccessful in finalising the above-mentioned transaction or in raising capital through alternative means, a material uncertainty exists about the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Despite the material uncertainty related to the ability of the Company to continue as a going concern, the financial statements have been prepared on a going concern basis. Accordingly, they do not include adjustments relating to the recoverability and classification of assets, or the amount and classification of liabilities that might be necessary should the Company not continue as a going concern.

Business strategies and prospects

The Company's strategy is to develop its proprietary technologies to a point where they can be licensed and/or partnered with a pharmaceutical or biotech partner for further development and ultimately released to the market. Imunexus would generate milestone payments and royalty revenues from such transactions.

The aim of the Company is to link Imunexins™ with defined therapeutic functions to commercially validated or clinically tested therapeutic antibodies to create a bispecific or trispecific with improved utility.

This patented "plug-n-play" approach has several key advantages:

1. Imunexins™ can be coupled to the parent antibody without affecting the binding efficiency, folding or manufacturing of either the parent antibody or of the Imunexins™.
2. The physical and therapeutic properties of the parent antibody are known as they are either clinically or commercially validated.
3. The safety and efficacy of the therapeutic target is also clinically or commercially characterised.
4. Allows rapid pipeline generation. Identifying a therapeutic target and monoclonal antibody is a laborious and costly process with inherent developmental risk that requires years of validation studies. Each Imunexin™ module can be easily and cheaply added to a wide range of parent monoclonal antibodies, enabling Imunexus to 'piggy back' on years of work to create a more potent therapeutic by turbo charging the parent antibodies.

Imunexus' competitive advantage is speed, cost and productivity. Unlike most antibody therapeutic programmes, once an appropriate Imunexin™ has been discovered and optimised, the technology can develop re-engineered antibodies from concept to investigational new drug candidate ready for pre-clinical development within approximately two months for a cost of only a few thousand dollars. Traditional drug developers take years and several million dollars to achieve the same. This advantage is one of the keys to Imunexus' potential.

Material business risks

The Company's operations and business prospects are subject to a number of risks. The Board regularly reviews the possible impact of these risks and seeks to minimise this impact through a commitment to its corporate governance principles and risk management function. However, not all risks are manageable or within the control of the Company. The key business risks faced by the Company that are likely to have an effect on its future prospects include:

DIRECTORS' REPORT

1. Laboratory and Clinical Trials

Development of the Company's products may fail for a number of reasons including lack of efficacy, toxicity or adverse side effects. Failure can occur at any stage of the trials, requiring the Company to abandon or repeat trials. The Company or the relevant regulatory authorities may suspend the Company's trials at any time if it appears that the trials could potentially result in unacceptable health risks.

2. Out-licensing

The Company is relying on its ability to be able to out-license its products at a time deemed appropriate. The pharmaceutical industry is highly competitive and numerous entities around the world compete with the Company to discover, validate and commercialise bispecific antibodies. The Company's competitors may discover and develop products in advance of the Company and/or products that are more effective than those developed by the Company. As a consequence, the Company may not be able to out-license its products or not be able to out-license its products for the desired returns, resulting in adverse effects on revenue and profitability.

3. Sufficiency of funding

The Company has limited financial resources and may need to raise additional funds from time to time to finance the development and commercialisation of its products and its other objectives. The Company's product development activities may never generate revenues and the Company may never achieve profitability. The Company's ability to raise funds in the future will be subject, among other things, to factors beyond the control of the Company and its Directors including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.

4. Third party collaborations

The Company has established and intends to continue to establish collaborative relationships to achieve its product development objectives. The Company does not have all the resources that it needs to internally develop its product candidates through to full development and to launch marketable products and relies on its ability to maintain and enter into collaborative and licensing relationships to achieve this objective and relies on its collaborators to fulfil their responsibilities. Any failure by these collaborators to fulfil their responsibilities could adversely impact the Company.

Significant changes in state of affairs

The Board notes the strategic capital raise and the placement of the Company into hibernation along with the changes of the Board as detailed earlier in this report.

There were no other significant changes to the state of affairs of Imunexus during the year.

Dividends

No dividends were paid or declared during the course of the financial year and no dividends are recommended in respect to the financial year ended 30 June 2020.

Events since the end of the financial year

Further to the items referenced within this Directors Report, the Company has commenced work to execute the following suite of agreements to facilitate the sales of business assets and the transfer of shareholders and option holders in exchange for shares and options in the subsidiary, in order to satisfy the request of the new investors:

- taxation consolidation agreements and tax funding arrangements,
- sale of business agreement,
- Notice of AGM to facilitate the potential restructure, and
- Prospectus to support the capital raise.

In July 2020 further 1,500,000 shares were issued at a share price of $0.072 to a non-related party in respect of various services provided in prior years as part of the Loan Fund Share Plan. In August 2020, as part of the Sale of Business agreement, the non-related party lenders were each provided with 2,000,000 options in Imunexus Limited, with the options being aligned to a future IPO in both exercise price and term to expiry.

The Victorian Government announced a State of Emergency on 16 March 2020, and subsequently a State of Disaster on 2 August 2020 with "Stage 4" restrictions were applied to Metro Melbourne. Imunexus is within Metro Melbourne. The State of Emergency and State of Disaster were further extended on 11 October 2020 to 08 November 2020.

It should be noted that the Company continues to action the strategic capital raise and proposed restructure through the current Covid-19 pandemic.

No other matter or circumstance has arisen since 30 June 2020, other than as disclosed in this report, that has significantly affected or may significantly affect: -

- Imunexus Limited's operations in future financial years, or
- the results of those operations in future financial years, or
- Imunexus Limited's state of affairs in future years.

DIRECTORS' REPORT

Likely developments and expected results of operations

The Company will continue to link Imunexins™ with defined therapeutic functions to commercially validated or clinically tested therapeutic antibodies to create a bispecific or trispecific with improved utility. Its aim is to develop a comprehensive data package to support product registrations in Australia and internationally.

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.

Insurance and indemnification

During the financial year, the Company paid a premium in respect of a contract insuring the Directors and Company Secretary (as named above), and all executive officers of the Company against a liability incurred when acting in their capacity as a Director, Company Secretary or executive officer to the extent permitted by the *Corporations Act 2001*. Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the insurance contract.

Other than to the extent permitted by law, the Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or any other related body corporate against a liability incurred as such by an officer or auditor.

Options issued

The Company has issued the following options in prior reporting periods:

Date Issued	*Options Issued*	*Exercise Price*	*Expiry*
20/04/2017	750,000	$0.20	20/04/2021
20/04/2017	5,750,000	$0.30	20/04/2021
20/04/2017	260,250	$0.40	20/04/2021
15/08/2017	1,250,000	$0.30	20/04/2021
17/07/2018	1,000,000	$0.15	17/07/2021
07/09/2018	1,000,000	$0.15	07/09/2021
18/10/2018	500,000	$0.12	17/10/2023
05/12/2018	200,000	$0.30	04/12/2022
	10,710,250		

Further details in respect of these options are included in Note 12(b).

Loan Funded Shares

During the year 750,000 loan funded shares were issued to key management personnel, 4,000,000 loan funded shares were issued to existing shareholders and advisors and 185,186 loan funded shares were granted to related parties, subject to shareholder approval. Refer to Note 12 (d) for further detail regarding loan funded shares.

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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

Meetings of directors

The number of meetings of the Company's Directors held during the year ended 30 June 2020 and the numbers of meetings attended by each Director were:

Director	*Held and Eligible to Attend*	*Attended*
Philippa Lewis	12	12
George Kopsidas	12	12
Timothy Oldham[1]	7	7

1. Timothy Oldham retired as a director on 24 January 2020.

DIRECTORS' REPORT

Information on directors and key management personnel in office during or since the end of the financial year and to the date of this report

Name and Position	Qualifications and Experience
Non-Executive Chairman Philippa Lewis IPC Canada, MTAA, GAICD	Philippa is a Professional Company Director, Chairperson and Chief Executive with expertise in the Medtech, Biotech, Digital and Artificial Intelligence sectors. Philippa has extensive global, commercial and corporate engagement with demonstrated success. Founding over ten start-ups she has led local and North American IPOs, reverse mergers, complex M&A transactions, strategic capital management and multilateral joint ventures within North America, Europe, China and Australia. Philippa was nominated as Zurich Business Leader of the Year and Telstra Business Woman of the Year and is currently an official company mentor for the Australian Technology Competition as well as an appointed grants assessor for the NSW Government Medtech and Pharma Growth Centre. Philippa is a Graduate of the Australian Institute of Company Directors, The Institute of Public Companies Canada via Simon Fraser University, and The Adelaide University in respect of Legal Arbitration and is a member of the Australian Institute of Company Directors, The MTAA, The Institute of Arbitrators and Mediators and The Resolution Institute. Director of Imunexus Limited since 1 September 2018.
Executive Director and Chief Scientific Officer George Kopsidas BSc (Hons) PhD	Dr Kopsidas is a Founding member of Imunexus and the original developer of the Imunexus technology platform. He is a practiced molecular biologist and biotechnologist with over 17 years' experience in protein and antibody engineering (he has engineered 26 potential antibody products). He also has 5 years' experience in the field of molecular ageing and mitochondrial diseases where he held a position on the editorial board for the Bio-Gerontology Journal, and well over 10 years' experience elucidating the mechanisms of DNA repair. He held academic positions with RMIT and La Trobe Universities and held a Research Fellowship at the National Institutes of Health USA (NIH). George has had senior roles in the commercial sector as the Senior Scientist with the Centre for Molecular Biology and Medicine, the Director of Protein Technologies at Evogenix Ltd, and the Vice-President of Protein Technologies at both Arana Therapeutics and Cephalon Australia. He was the driving force behind the development of the technology platforms of these companies and has a proven track record for developing multiple commercially validated technologies. He was a foundation scientist at Evogenix and the main contributor to the development of their technology platform and product engineering approaches that were later adopted by Arana and Cephalon. He had a major role in the engineering of these company's R&D pipeline products and continued to develop and expand their technology platforms. He also has a strong track record developing drugs over multiple projects. He has multiple international publications and patents including joint patents with GSK and Vegenics around antibody therapeutics and has 64 publications and presentations at national and international conferences. He has a strong track record delivering back to investors in previous enterprises including the technical and product development leading to the Evogenix IPO, and the takeover of Evogenix by Peptech to form Arana Therapeutics. Recently he had founded and managed a successful biotechnology consulting company, Melicept, which consulted around protein scaffolds, antibody-based therapeutics, biotechnology, protein engineering and molecular biology. He also developed strategic business plans, budgets and resource development and performed due diligence on accessible IP around platforms for novel immunotherapy approaches. Director of Imunexus Limited since 13 November 2014.
Former Non-Executive Director Timothy Oldham BSc (Hons)/LLB (Hons), PhD, GAICD	Dr Oldham has more than 15 years of life sciences business development, alliance management and sales and marketing experience in Europe, Asia and Australia. He is Executive Leader and Director of Tijan Ventures/Vigilance Health Pty Ltd, providing strategic, commercialisation and company formation advice to the cell and gene therapy sector. He is a former CEO and Managing Director of Cell Therapies Pty Ltd, a leading Asia Pacific provider of manufacturing and distribution services for cell-based therapeutics. He was President of Asia Pacific for Hospira Inc. (2007 to 2012), having held a variety of senior management roles with Mayne Pharma (2002 to 2007) prior to its acquisition by Hospira, working in the field of injectable generics, biosimilars and infusion management systems. Prior to this, Dr Oldham was an engagement manager with McKinsey & Co (1997 to 2001). He is a Non-executive Director of Acrux Ltd, a listed company developing topical and transdermal generic medicines and has been a Non-Executive Director of Respiri Ltd, a listed medical device and digital health company. Dr Oldham has been chairman of the European Generic Medicines Association's Biosimilars and Biotechnology Committee, a Director of the Generic Medicines Industry Association, and is a member of AusBiotech's Regenerative Medicine Advisory Group. Director of Imunexus Limited since 1 September 2018 until his retirement on 24 January 2020.

Name and Position	Qualifications and Experience
Chief Financial Officer and Company Secretary Christopher Elliot B.Bus, CA,	Chris 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. Chris is a director of Accension Pty Ltd which is engaged to provide CFO and Company Secretary services to Imunexus. 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 where he is currently a member Secretary of Imunexus Limited since 1 September 2018. .

Auditor's Independence Declaration

A copy of the auditor's declaration under Section 307C in relation to the audit for the year ended 30 June 2020 is included in this report.

Auditor

	2020 $	2019 $
Audit services		
HLB Mann Judd		
Audit of financial reports for 2017 (includes additional charges paid in 2019)	-	10,875
Audit of financial reports	9,500	10,900
Total remuneration	**9,500**	**21,775**

Environmental issues

The company's operations are not currently regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

This report is made in accordance with a resolution of the Directors.

Mrs Philippa Lewis
Non-executive Chair
Date: 29 October 2020

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF IMUNEXUS LIMITED

HLB MANN JUDD

Auditor's independence declaration

As lead auditor for the audit of the financial report of Imunexus Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
29 October 2020

hlb.com.au

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IMUNEXUS LIMITED
ABN 55 602 853 485
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenues and income from continuing operations	3(a)	-	126,845
Expenses from continuing operations			
Research & Development		(42,059)	(228,123)
Management and Employment Expenses		(110,911)	(102,998)
Directors' Expenses		(110,000)	(679,600)
Professional Services		(128,898)	(353,048)
Advisory Services - Capital Raising		-	(277,500)
Share Based Payments		(227,153)	-
Intellectual Property		(22,229)	(15,914)
Depreciation & Amortisation	3(b)	-	(70,037)
Impairment	3(b)	-	(137,703)
Other Expenses		(43,518)	(68,502)
Borrowing Costs		-	(25,697)
Finance Costs		(35,233)	(29,241)
Total expenses from continuing operations		*(720,001)*	*(1,988,363)*
Loss from continuing operations before tax		(720,001)	(1,861,518)
Income tax (expense)		-	-
Loss for the year from continuing operations after income tax		**(720,001)**	**(1,861,518)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year attributable to members of the Company		**(720,001)**	**(1,861,518)**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

IMUNEXUS LIMITED
ABN 55 602 853 485
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
Current assets			
Cash and cash equivalents	4	15,375	40,718
Trade and other receivables	5	2,589	129,959
Other current assets	6	14,948	10,197
Total current assets		**32,912**	**180,874**
Non-current assets			
Property, plant and equipment	7	-	-
Intangible assets	8	-	-
Total non-current assets		**-**	**-**
Total assets		**32,912**	**180,874**
Current liabilities			
Trade and other payables	9	1,001,197	722,961
Employee Benefits	10	32,646	15,080
Financial liabilities	11	400,193	444,333
Total current liabilities		**1,434,036**	**1,182,374**
Total liabilities		**1,434,036**	**1,182,374**
Net (liabilities)/assets		**(1,401,124)**	**(1,001,500)**
Equity/(net deficiency)			
Issued capital	12	2,380,188	2,380,188
Reserves	13(a,b)	1,669,445	1,349,068
Accumulated losses	13(c)	(5,450,757)	(4,730,756)
Total equity/(net deficiency)		**(1,401,124)**	**(1,001,500)**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

IMUNEXUS LIMITED
ABN 55 602 853 485
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital	Loan Share Reserve	Share Option Reserve	Accumulated losses	Total
2020	**$**	**$**	**$**	**$**	**$**
At 1 July 2019	**2,380,188**	**427,539**	**921,529**	**(4,730,756)**	**(1,001,500)**
Loss for the period	-	-	-	(720,001)	(720,001)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(720,001)	(720,001)
Transactions with owners in their capacity as owners:					
Issued capital	-	-	-	-	-
Transaction costs related to shares issued	-	-	-	-	-
Cost of share-based payments	-	320,377	-	-	320,377
At 30 June 2020	**2,380,188**	**747,916**	**921,529**	**(5,450,757)**	**(1,401,124)**
2019	**$**	**$**	**$**	**$**	**$**
At 1 July 2018	**2,044,938**	**-**	**696,311**	**(2,869,238)**	**(127,989)**
Loss for the period	-	-	-	(1,861,518)	(1,861,518)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,861,518)	(1,861,518)
Transactions with owners in their capacity as owners:					
Issued capital	35,250	-	-	-	35,250
Transaction costs related to shares issued	-	-	-	-	-
Cost of share-based payments	300,000	427,539	225,218	-	952,757
At 30 June 2019	**2,380,188**	**427,539**	**921,529**	**(4,730,756)**	**(1,001,500)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

IMUNEXUS LIMITED
ABN 55 602 853 485
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Payments to suppliers and employees inclusive of GST		(72,815)	(434,029)
R&D tax incentive		126,845	223,017
Interest Expense		(3,356)	(9,465)
Net cash (used) in operating activities	14(b)	**50,674**	**(220,477)**
Cash flows from investing activities			
Payments for property, plant and equipment		-	-
Payments for intangible assets		-	(63,709)
Net cash (used) in investing activities		**-**	**(63,709)**
Cash flows from financing activities			
Proceeds from issue of shares		-	35,250
Net proceeds (repayment of) from borrowings		(76,017)	238,441
Payment for share issue expenses		-	-
Net cash provided by financing activities		**(76,017)**	**273,691**
Net (decrease)/increase in cash and cash equivalents		(25,343)	(10,495)
Cash and cash equivalent at beginning of year		40,718	51,213
Cash and cash equivalents at end of year	14(a)	**15,375**	**40,718**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Introduction

The financial report covers Imunexus Limited ("Imunexus" or "Company"), as an individual entity.

Imunexus is an unlisted public company limited by shares, incorporated and domiciled in Australia. The presentation currency and functional currency of the Company is Australian dollars.

The principal activity of the Company during the financial year was developing bispecific antibody products prior to going into hibernation.

The Registered office address of the Company is 343 Royal Parade, Parkville, Victoria 3052.

The financial report was authorised for issue by the Board of Directors of Imunexus on the date shown on the Declaration by Directors attached to the Financial Statements.

Note 1: Statement of significant accounting policies

The principal accounting policies which have been adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law. Imunexus is a for-profit entity for the purpose of preparing these financial statements.

These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

b) Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted. All values are rounded to the nearest dollar.

The accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

c) Going concern

The company reports the following:

- incurred a loss for the year of $720,001 (2019: $1,861,518)
- maintains a cash balance as at 30 June 2020 of $15,375 (2019: $40,718) with cash inflow/(outflow) from operations over the period of $50,674 (2019: ($220,477))
- that current liabilities exceeded its current assets by $1,401,124 (2019: $1,001,500)
- it had net deficiency of assets over liabilities of $1,401,124 (2019: $1,001,500)
- A conscious decision was made by the Board during the 2019 financial year to place the company in a temporary hibernation in an effort to conserve its cashflow, while preserving the value of the patents and IP.

As at the date that these financial statements were signed, the company remains in hibernation and the Board recognises that the Company is required to gain access to additional funding. The directors have reviewed the cash flow requirements of the company for the 12 months from when the financial statements are authorised and recognise that the company requires capital to continue enable the Company to come out of hibernation and to resume its operations, research and development programs and to ensure that it can pay its debts as and when they fall due. The board has and continues to closely monitor the company's expenses and cash flow.

In August 2020, the company engaged and commenced working closely with a new corporate advisor to assist in the raising of capital. The Company under the guidance of the corporate advisor has prepared detailed collateral for investors to review and has commenced a vigorous program (the Strategic Capital Plan) meeting target investors including:

- Current Shareholders;
- Family offices;
- Stock broking firms;
- Aligned or complimentary listed entities;
- High Net Worth Individual's; and
- Various other funds or service providers in Australia and offshore.

With the Strategic Capital Plan in place and active, the Board is reasonably confident the Company will be able to raise sufficient capital to secure the Company's ongoing operations and scientific program, deeming this the best course of action to protect all stakeholders. In consideration to the request of potential incoming investors that the existing IP and equipment assets be transferred to a new entity, the

Company incorporated a 100% owned subsidiary, Imunexus Therapeutics Limited on 24 September 2020. In October 2020, the Company received written indication from its corporate advisor that it is in the process of finalising the commitments with cornerstone investors pending the completion of procedural and legal matters and there is an expectation of finalising the strategic capital raise by mid-December 2020.

To this end, in conjunction with its corporate and legal advisors, the Board has drafted and has commenced work to execute the following suite of agreements to facilitate the sale of business assets (as a cash transaction to facilitate the payment of liabilities) and the transfer of shareholders and option holders in exchange for shares and options in the subsidiary (in specie transfer), referred to as 'Sale of Business agreement' hereafter, in order to satisfy the request of the new investors (with a proposed investment totalling $3,500,000, before costs):

- taxation consolidation agreements and tax funding arrangements,
- sale of business agreement,
- Notice of AGM to facilitate the potential restructure, and
- Prospectus to support the capital raise.

The Board recognises that in the event that the Company is unsuccessful in finalising the above-mentioned transaction or in raising capital through alternative means, a material uncertainty exists about the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Despite the material uncertainty related to the ability of the Company to continue as a going concern, the financial statements have been prepared on a going concern basis. Accordingly, they do not include adjustments relating to the recoverability and classification of assets, or the amount and classification of liabilities that might be necessary should the Company not continue as a going concern.

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Refer to Note 8 for details of the assumptions made on the carrying value of Intangibles.

At each reporting period the Company assesses whether finite life intangibles have suffered any impairment in accordance with the accounting policy stated in Note 1(i).

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. The decision by the Board to place the Company into temporary hibernation mode was assessed as an impairment indicator, which necessitated the Company to test its holding of non-current assets for impairment.

Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions, one of the key assumptions being the Company would be able to come out of hibernation on the basis of the successful capital raising as referred to in the going concern note at 1(c).

In the 2019 financial year, full impairment was recognised in respect of intangible and plant & equipment at the end of the reporting period as a result of the decision of the Company to enter hibernation mode, in order to comply with Australian Accounting Standards. Notwithstanding that decision, the Directors of the Company believe that the assets still have future commercial value.

Other areas that require significant judgement and key assumptions include share based payments, which are calculated at fair value using industry standard option pricing models, and the estimated useful life of intangibles, which is based understanding of competitive forces, and general familiarity with the market.

There have been no other significant judgements made in applying accounting policies that the Directors consider would have a significant effect on the amounts recognised in the financial statements. There have been no key assumptions made concerning the future, and there are no other key sources of estimation uncertainty at the reporting date, that the Directors consider would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

e) Change in Accounting Policy

AASB 16 Leases

The Company adopted AASB 16 *Leases* from 1 July 2019 and elected to apply the modified retrospective approach as permitted under the specific transitional provisions in the standard. Under this approach, the right of use asset relating to the operating lease and the lease liability is measured at the present value of remaining lease payments and discounted using the Company's incremental borrowing rate at the date of initial application of AASB 16. As a result of applying the modified retrospective approach, there are no reclassifications or adjustments arising from the new leasing rules that are required to be recognised in the opening balance sheet on 1 July 2019. There is no impact on retained earnings on 1 July 2019.

Practical expedients applied
In applying AASB 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

Impact of adopting AASB 16
As a result of using the practical expedients permitted by the standard as described above, as the remaining lease term of the Company's leases are less than 12 months; they are accounted for as short-term leases. Therefore, there is no impact on the Company on the adoption of AASB 16.

f) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification
On initial recognition, the Company classifies its financial assets into the following category, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost
Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets
Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables
Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost
Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities
The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and borrowings.

g) Impairment of non-financial assets

Intangible assets that have an indefinite useful life and intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount may not be recoverable.

At each reporting date, the Company reviews the carrying amounts of its finite life tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, held at call with financial institutions, and other short-term deposits with an insignificant risk of change in value.

i) Research and development costs

Research and development expenditure is expensed as incurred except to the extent that its future recoverability can reasonably be regarded as assured, in which case it is deferred and amortised on a straight line basis over the period in which the related benefits are expected to be realised.

The carrying value of development costs that have been capitalised are reviewed for impairment annually when the asset is not yet in use or when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

j) Employee benefits

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

Long-term employee benefits
Liabilities for annual leave and long service leave that are not expected to be settled wholly within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date inclusive of on costs. 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 end of the reporting period of the corporate bonds.

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

k) Income taxes

The income tax expense/(income) for the year comprises current income tax expense (income) and deferred tax expense/(income).

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

l) Issued capital

Ordinary shares are classified as equity (Note 12).

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

m) Revenue recognition

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Interest income
Interest income is recognised on a time proportion basis using the effective interest method.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

R&D tax incentive
Income from the R&D Tax Incentive is recognised on an accruals basis when AusIndustry accept the claim or there is a reasonable probability that AusIndustry will accept the claim.

n) Comparative figures

Comparatives have been reclassified, where necessary, so as to be consistent with the figures presented in the current year.

o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

p) COVID-19 Considerations

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID19. A state of emergency was subsequently declared on 2 August 2020. To contain the spread of the virus and to prioritise the health and safety of communities, various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including the company. The impact which COVID 19 has had on the company have been disclosed in the following notes of the financial statements:

Note 19 – events after the reporting period.

Note 2: Remuneration of auditors

	2020 $	2019 $
Audit services		
HLB Mann Judd		
Audit of financial reports for 2017 (includes additional charges paid in 2019)	-	10,875
Audit of financial reports	9,500	10,900
Total remuneration	**9,500**	**21,775**

Note 3: Revenue, income and expenses from continuing operations

	2020 $	2019 $
(a) Income		
R&D tax incentive	-	126,845
Total revenue and income from continuing operations	**-**	**126,845**

(b) Expenses

Loss before income tax includes the following specific expenses:

	2020	2019
Employee salary and benefit expenses:		
Salary and employee benefit expenses	50,007	216,017
Defined contribution superannuation expenses	-	14,296
Share based payments	-	-
Total employee salary and benefit expenses	**50,007**	**230,313**
Depreciation and amortisation of non-current assets:		
Plant and equipment	-	12,181
License, patents and other intangible assets	-	57,856
Total depreciation and amortisation expenses	**-**	**70,037**
Impairment of non-current assets	-	137,703

Note 4: Cash and cash equivalents

	2020 $	2019 $
Cash at bank	14,663	40,653
Deposit at call	712	65
	15,375	40,718

The interest rate earned on cash at bank and deposits at call at balance date was 0% (2019: 0%).

Note 5: Trade and other receivables

	2020 $	2019 $
R&D tax incentive[2]	-	126,845
GST refund due	2,589	3,114
	2,589	129,959

1. The balance of other receivables of $2,567 (2019: $129,959) is not past due and not considered impaired.
2. R&D Capital Partners had a primary security interest over the R&D tax incentive receivable in the prior year.

Note 6: Other current assets

	2020 $	2019 $
Prepayments	14,948	10,197
	14,948	10,197

Note 7: Property, plant and equipment

	2020 $	2019 $
Plant and equipment		
At cost	-	96,401
Accumulated depreciation and impairment	-	(96,401)
Total net plant and equipment	-	-

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	2020 $	2019 $
Plant and equipment at cost:		
Balance at the beginning of year	-	54,570
Additions	-	-
Depreciation expense (Note 3b)	-	(12,181)
Impairment and asset write off (Note 3b)	-	(42,389)
Carrying amount at the end of year	-	-

Note 8: Intangible assets

	2020 $	2019 $
Licenses and patents	-	227,453
Less: Accumulated amortisation	-	(227,453)
Total net intangible assets	-	-

Movements in the carrying amounts for intangible assets between the beginning and the end of the current financial year

	2020 $	2019 $
Carrying amount at the beginning of year	-	89,461
Additions – acquisitions	-	63,709
Amortisation expense (Note 3b)[1]	-	(57,856)
Impairment expense (Note 3b)[2]	-	(95,314)
Carrying amount at the end of year	-	-

1. Intangible assets comprise licences and patents, which has a finite useful life and is recorded at cost. Amortisation has been historically calculated using straight line method over their estimated useful life ranging from 4 to 20 years.

Note 9: Trade and other payables

	2020 $	2019 $
Current (unsecured)		
Trade creditors[1,2]	291,935	284,040
Other creditors and accruals[3]	709,349	438,921
	1,001,284	**722,961**

1. Trade creditors includes an amount of $232,384 owing to CSO and Director George Kopsidas for services rendered under his consulting agreement with the Company in financial years prior to this report.
2. The average credit period on trade creditors (excluding George Kopsidas) and other creditors is 348 days. No interest is payable on outstanding balances.
3. Refer to Note 17(d) for amounts owing to related parties.

Note 10: Employee benefits

	2020 $	2019 $
Annual leave	32,646	15,080
	32,646	**15,080**

Note 11: Financial liabilities

	2020 $	2019 $
Current		
Loan - R&D Capital Partners (secured)[1]	-	75,000
Hunter Premium Funding (unsecured)[2]	11,958	12,976
Director loan[3]	41,779	38,018
Shareholder loans (unsecured)[4]	346,456	318,339
	400,193	**444,333**

1. R&D Capital Partners had a primary security interest over the R&D tax incentive receivable in the prior year (Note 5). The loan was repaid from the receipt R&D Tax Incentive and incurred an interest rate of 15%pa.
2. Hunter Premium Funding fund the annual insurance premiums and charge a fee of 6.53%. This loan is then repaid over 10 months.
3. Dr. George Kopsidas loaned the company $35,000 during the prior year which is unsecured and at an average interest rate of 10.7%
4. The shareholder loans which were outstanding at 30 June 2020 are unsecured. They were repayable in the prior year and incurred an average interest rate of 9.34%

Note 12: Issued capital

The Company does not have authorised capital nor par value in respect of its issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in equal proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(a) Movements in issued capital during the year were as follows:

	2020 No.	2019 No.	2020 $	2019 $
Issued shares:				
At the beginning of the reporting period	60,156,666	57,686,666	2,380,188	2,044,938
Shares issued at 15 cents	-	2,000,000	-	300,000
Shares issued at 7.5 cents	-	470,000	-	35,250
Transaction costs arising on issue of shares	-	-	-	-
At end of the reporting period	**60,156,666**	**60,156,666**	**2,380,188**	**2,380,188**

Refer to note 16 for details of capital risk management policies.

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

	2020 No.	*2019 No.*
Balance at beginning of the year	10,710,250	8,010,250
Granted during the year[1]	-	2,700,000
Balance at end of the year	**10,710,250**	**10,710,250**

Terms of options issued

	Options Issued	*Exercise Price*	*Value[2] $*	*Expiry*
Options issued – 20/4/17	5,750,000	30 cents	499,313	20/04/2021
Options issued – 20/4/17	260,250	40 cents	20,589	20/04/2021
Options issued – 9/6/17	750,000	15 cents	78,175	08/06/2021
Options issued – 15/8/17	1,250,000	30 cents	103,445	20/04/2021
Options issued – 17/7/18	1,000,000	15 cents	93,749	16/07/2021
Options issued – 7/9/18	1,000,000	15 cents	93,749	06/09/2021
Options issued – 18/10/18	500,000	12 cents	25,697	17/10/2023
Options issued – 5/12/18	200,000	30 cents	6,811	04/12/2022
	10,710,250		**921,528**	

1. Share options granted carry no rights to dividends and no voting rights.
2. 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**
Options	30 cents	15 cents	100%	20/04/2021	4 years	1.95%	-
Options	40 cents	15 cents	100%	20/04/2021	4 years	1.95%	-
Options	30 cents	15 cents	100%	20/04/2021	4 years	1.93%	-
Options	15 cents	15 cents	100%	08/06/2021	4 years	1.95%	-
Options	15 cents	15 cents	100%	16/07/2021	3 years	2.00%	-
Options	15 cents	15 cents	100%	06/09/2021	3 years	2.00%	-
Options	12 cents	7.5 cents	100%	17/10/2023	5 years	2.00%	-
Options	30 cents	7.5 cents	100%	04/12/2022	4 years	2.00%	-

(d) Loan funded share plan

The company implemented a loan funded share plan during the 2019 financial year, 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 the year, 185,186 loan shares were granted to Directors subject to shareholder approval and.4,750,000 loan shares were issued to shareholders and advisors.

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 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.

Key inputs used included the following:

- Exercise price: 0.072
- Grant date: Between 1 August 2018 and 13 May 2020
- Vesting date: 8 years from issue
- Share price at grant date: $0.075
- Expected price volatility: 100%
- Risk free int rate: Bond yield rate between 0.718% and 1.225% as measured 8 years from grant date (2019: 1.193% to 2.59%).

(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 $320,377 (2019: $952,757).

	2020 $	2019 $
Share-based payment	-	300,000
Value of loan shares granted to directors (subject to shareholder approval), shareholders and advisors	320,377	427,539
Value of options granted to directors and financial advisors	-	225,218
Closing balance	**320,377**	**952,757**

Note 13: Reserves and accumulated losses

(a) Loan share reserve

	2020 $	2019 $
Opening balance 1 July	427,539	-
Value of loan shares granted to directors (subject to shareholder approval), shareholders and advisors	320,377	427,539
Closing balance	**747,916**	**921,529**

1. 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.

(b) Share option reserve

	2020 $	2019 $
Opening balance 1 July	921,529	696,311
Value of options granted to directors and financial advisors	-	225,218
Closing balance	**921,529**	**921,529**

1. 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.

(c) Movement in accumulated losses

	2020 $	2019 $
Opening balance 1 July	(4,730,756)	(2,869,238)
Net loss for the year	(720,001)	(1,861,518)
Closing balance	**(5,450,757)**	**(4,730,756)**

Note 14: Cash flow Information

(a) Reconciliation of cash

	2020 $	2019 $
Cash at bank	14,663	40,653
Deposit at call	712	65
Total cash and cash equivalents	**15,375**	**40,718**

(b) Reconciliation of cash used in operating activities with loss after income tax

	2020 $	2019 $
Loss from continuing operations after income tax	(720,001)	(1,861,518)
Non cash movements:		
Depreciation and amortisation expense	-	70,037
Impairment expense	-	137,703
Equity settled share-based payment	320,377	952,757
Employee Benefits	17,567	3,672
Other non-cash items	31,877	19,776
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	127,370	121,254
(Increase)/decrease in other current assets	(4,751)	7,514
Increase/(decrease) in trade creditors and accruals	278,235	328,328
Cash (used) in operating activities	**50,674**	**(220,477)**

(c) Non cash financing and investing activities

There were no non-cash financing and investing activities during the year, other than share based payments as outlined in Note 12 (e).

Note 15: Commitments and contingencies

(a) Capital expenditure commitments

There was no capital expenditure contracted for at reporting date but not provided for in the accounts (2019: $NIL).

(b) Other contingencies

Research and development incentive
Research and Development grants received may be subject to review by AusIndustry and subsequent claw back of funds should there be a determination of non-conforming claims.

Loan funded share plan
In June 2019 the Board resolved amongst other resolutions to invite board members and other advisors of the company participate in the Company's loan share plan, whereby 1,388,889 shares were offered to related parties and 500,000 shares to advisors to the Company, at a share price of $0.072, with the shares to be issued upon success in the capital raise program. The Company notes that the shares to be provided to related parties are subject to resolution at the following Annual General Meeting to be held in November 2020.

Note 16: Financial instruments

(a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company's overall strategy remains unchanged from the prior financial year.

The Company's debt and capital includes ordinary shares and the financial liabilities supported by financial assets. The Company operates through arrangements with supplies established in the markets in which the Company trades.

Operating cash flows are used to maintain and expand the Company's assets.

Gearing ratio

he Company's Board reviews the capital structure on an ongoing and regular basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. The Company uses debt financing to provide an advance on its R&D Tax Incentive and insurance premium funding but otherwise aims to have a low gearing rate. The Company also borrowed from shareholders and directors during the prior year to supplement its funds whilst it endeavours to raise capital. Based on recommendations of the Board the Company will balance its overall capital structure through new share issues.

The gearing ratio at year end was as follows:

	Note	2020 $	2019 $
Debt (i)	11	(400,193)	(444,333)
Cash and cash equivalents excluding receivables	4	15,375	40,718
Net cash/(debt)		**(384,818)**	**(403,615)**
Equity/(net deficiency) (ii)	12,13	(1,401,124)	(1.001.500)
Net debt to equity ratio		(0.27:1)	(0.40:1)

(i) Debt is defined as long-term and short-term borrowings and excludes trade and other payables.
(ii) Equity includes all capital and reserves as detailed in Note 12 and 13.

(b) Market risk

The Company's activities do not currently expose it to the financial risks of changes in foreign currency rates.

(c) Financial risk management objectives

The Company's CFO monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. There have been no changes to these risks since the previous financial year.

The Board of Directors ensures that the Company maintains a competent management structure capable of defining, analysing, measuring and reporting on the effective control of risk 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 currently does not have a policy regarding foreign exchange risk management. This and other financial risks are managed prudently by the Chief Financial Officer and the Board.

The Company holds the following financial instruments:

	Note	2020 $	2019 $
Financial assets at amortised cost			
Cash and cash equivalents	4	15,375	40,718
Trade and other receivables	5	2,589	129,959
Other current assets	6	14,948	10,197
		32,912	**180,874**
Financial liabilities at amortised cost			
Trade and other payables	9	1,001,197	722,961
Financial liabilities	11	400,193	444,333
		1,401,390	**1,167,294**

(d) Interest rate risk management

The Company's exposure to market interest rates relates primarily to the Company's short-term deposits held and deposits at call. The interest income earned from these balances can vary due to interest rate changes. All of the external borrowings are at fixed rates.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its debts as and when they fall due. The Company has borrowings at reporting date and the Directors aim to ensure that the cash on hand is sufficient to meet the commitments of the Company at all times during the research and development phase.

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash and where necessary unutilised borrowing facilities are maintained. Refer to Going Concern note (Note 1(c)) for further details.

Financing arrangements
The Company does not have access to any borrowing facilities at the reporting date other than the stated facilities at Note 11.

Maturities of financial liabilities
The tables below analyse the Company's financial liabilities.

	Less than 1 Year	1 to 5 years	Over 5 years	Total
30 June 2020				
Financial Liabilities at amortised cost				
Trade and other payables	1,001,197	-	-	1,001,197
Financial liabilities	400,193	-	-	400,193
	1,401,390	**-**	**-**	**1,401,390**
30 June 2019				
Financial Liabilities at amortised cost				
Trade and other payables	-	722,961	-	722,961
Financial liabilities	-	444,333	-	444,333
	-	**1,167,294**	**-**	**1,167,294**

All current balances mature within one year; all non-current balances are expected to mature in between one and three years.

(f) Foreign currency risk management

The Company does not currently undertake any transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation do not arise.

(g) Price risk

Price risk is the risk that future cashflows derived from financial instruments will be changed as a result of a market price movement, other than foreign currency rates and interest rates. The Company is not exposed to any material commodity price risks, other than those already described above.

Net fair values
The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

- the net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

(h) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company.

Note 17: Related party transactions

(a) Details of key management personnel

The Directors and other members of key management personnel of the Company during the year were:

Name	Position
Mrs. Philippa Lewis	Non-executive Chair
Dr George Kopsidas	Executive Director and Chief Scientific Officer
Dr. Timothy Oldham	Non-Executive Director (retired 24/1/20)
Mr. Christopher Elliot	Chief Financial Officer and Company Secretary

(b) Key management personnel compensation

The aggregate compensation made to Directors and other members of key management personnel or their director related entities were:

	2020	2019
Short term	213,407	429,445
Post employment	-	7,208
Share based payments	61,221	678,100
Total compensation	**274,628**	**1,114,753**

Fees include Directors' Fees and fees for additional consulting services where applicable, refer to Note 17 (d) for identification of amounts accrued.

(c) Key management personnel equity holdings

i) Shareholdings

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

2020	Balance at 1 July No.	Issued as compensation No	Purchased during the year No.	Disposals No.	Balance at 30 June No.	Total vested 30 June No.
Mrs. Philippa Lewis	-	-	-	-	-	-
Dr George Kopsidas	7,500,000	-	-	-	7,500,000	7,500,000
Dr. Timothy Oldham[1]	-	-	-	-	-	-
Mr. Christopher Elliot	-	-	-	-	-	-
Totals	**7,500,000**	**-**	**-**	**-**	**7,500,000**	**7,500,000**

1. Timothy Oldham retired as a Director on 24 January 2020

2019	Balance at 1 July No.	Issued as compensation No	Purchased during the year No.	Disposals No.	Balance at 30 June No.	Total vested 30 June No.
Mrs. Philippa Lewis[1]	-	-	-	-	-	-
Mr. Indrajit Arulampalam[2]	-	1,000,000	-	-	1,000,000	1,000,000
Dr George Kopsidas	7,500,000	-	-	-	7,500,000	7,500,000
Mr. Stephen Bailey[2]	1,287,500	-	-	-	1,287,500	1,287,500
Dr. Timothy Oldham[3]	-	-	-	-	-	-
Mr. Christopher Elliot[3]	-	-	-	-	-	-
Totals	**8,787,500**	**1,000,000**	**-**	**-**	**9,787,500**	**9,787,500**

1. Philippa Lewis was appointed on 1 September 2018 and replaced Indrajit Arulampalam as Non-Executive Chair
2. Indrajit Arulampalam retired as a Director on 16 July 2018 and Stephen Bailey retired as a Director on 5 December 2018
3. Timothy Oldham was appointed as a Director and Christopher Elliot was appointed as the CFO and Company Secretary on 1 September 2018.

ii) Option holdings

Options held by key management personnel or their related parties:

2020	Balance at 1 July No.	Issued as compensation No.	Purchased during the year No.	Disposals No.	Balance at 30 June No.	Total vested 30 June No.
Mrs. Philippa Lewis	-	-	-	-	-	-
Dr George Kopsidas	1,500,000	-	-	-	1,500,000	1,500,000
Dr. Timothy Oldham[1]	-	-	-	-	-	-
Mr. Christopher Elliot	-	-	-	-	-	-
Totals	**1,500,000**	**-**	**-**	**-**	**1,500,000**	**1,500,000**

1. Timothy Oldham retired as a Director on 24 January 2020

2019	Balance at 1 July No.	Issued as compensation No.	Purchased during the year No.	Disposals No.	Balance at 30 June No.	Total vested 30 June No.
Mrs. Philippa Lewis[1]	-	-	-	-	-	-
Mr. Indrajit Arulampalam[2]	-	1,000,000	-	-	1,000,000	1,000,000
Dr George Kopsidas	1,500,000	-	-	-	1,500,000	1,500,000
Mr. Stephen Bailey[2]	1,500,000	200,000	-	-	1,700,000	1,700,000
Dr. Timothy Oldham[3]	-	-	-	-	-	-
Mr. Christopher Elliot[3]	-	-	-	-	-	-
Totals	**3,000,000**	**1,200,000**	**-**	**-**	**4,200,000**	**4,200,000**

1. Philippa Lewis was appointed on 1 September 2018 and replaced Indrajit Arulampalam as Non-Executive Chair
2. Indrajit Arulampalam retired as a Director on 16 July 2018 and Stephen Bailey retired as a Director on 5 December 2018
3. Timothy Oldham was appointed as a Director and Christopher Elliot was appointed as the CFO and Company Secretary on 1 September 2018.

iii) Loan funded shares

During the year, 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 year:

2020	Balance at 1 July No.	Granted as compensation No	Purchased during the year No.	Disposals No.	Unissued and unvested at 30 June No.	Total issued and vested 30 June No.
Mrs. Philippa Lewis	3,018,519	92,593	-	-	3,111,112	-
Dr George Kopsidas	2,500,000	-	-	-	2,500,000	-
Dr. Timothy Oldham[1]	962,963	92,593	-	-	1,055,556	-
Mr. Christopher Elliot[2]	-	750,000	-	-	-	750,000
Totals	**6,481,482**	**935,186**	**-**	**-**	**6,666,668**	**750,000**

1. Timothy Oldham retired as a Director on 24 January 2020.
2. The shares granted to Christopher Elliot were issued during the year.

2019	Balance at 1 July No.	Granted as compensation No	Purchased during the year No.	Disposals No.	Unissued and unvested at 30 June No.	Total unvested 30 June No.
Mrs. Philippa Lewis[1]	-	3,018,519	-	-	3,018,519	3,018,519
Dr George Kopsidas	-	2,500,000	-	-	2,500,000	2,500,000
Dr. Timothy Oldham[2]	-	962,963	-	-	962,963	962,963
Mr. Christopher Elliot[2]	-	-	-	-	-	-
Totals	**-**	**6,481,482**	**-**	**-**	**6,481,482**	**6,481,482**

1. Philippa Lewis was appointed on 1 September 2018 as Non-Executive Chair
2. Timothy Oldham was appointed as a Director and Christopher Elliot was appointed as the CFO and Company Secretary on 1 September 2018.

(d) Receivable from and payable to related parties

The following balances were outstanding at 30 June 2020 in relation to transactions with related parties:

	2020 $	*2019 $*
Current payables		
Trade payables to director Dr George Kopsidas for consultancy fees for his services	232,384	232,384
Current accruals		
At balance date the Company had accrued expenses in respect of wages and consultancy fees payable to key management personnel or their related entities as follows:	-	-
Mrs. Philippa Lewis	268,500	156,000
Dr George Kopsidas	80,000	52,560
Dr. Timothy Oldham	97,104	78,487
Mr. Christopher Elliot	106,075	51,225

Financial liabilities		
Loan from Dr George Kopsidas – refer note 11	41,779	38,018

There were no other loans to or from related parties at the current and previous reporting date. All transactions were made on normal commercial terms and conditions and at market rates.

Note 18: Segment information

A segment is a component of the Company that engages in business activities to provide products or services within a particular economic environment. The Company operates in one business segment, being the conduct of research and development activities in the biotech sector. The Board of Directors assess the operating performance of the Company based on management reports that are prepared on this basis. The Company invests excess funds in short term deposits but this is not regarded as being a separate segment.

Note 19: Events occurring after the reporting period

Further to the items referenced within Note 1 (c), the Company has commenced work to execute the following suite of agreements to facilitate the sales of business assets and the transfer of shareholders and option holders in exchange for shares and options in the subsidiary, in order to satisfy the request of the new investors:

- taxation consolidation agreements and tax funding arrangements,
- sale of business agreement,
- Notice of AGM to facilitate the potential restructure, and
- Prospectus to support the capital raise.

In July 2020 a further 1,500,000 shares were issued at a share price of $0.072 to a non-related party in respect of various services provided in prior years as part of the Loan Fund Share Plan. In August 2020, as part of the Sale of Business agreement, the non-related party lenders were each provided with 2,000,000 options in Imunexus Limited, with the options being aligned to a future IPO in both exercise price and term to expiry.

The Victorian Government announced a State of Emergency on 16 March 2020, and subsequently a State of Disaster on 2 August 2020 with “Stage 4” restrictions were applied to Metro Melbourne. Imunexus is within Metro Melbourne. The State of Emergency and State of Disaster were further extended on 11 October 2020 to 08 November 2020.

The Company continues to action the strategic capital raise and proposed restructure through the current Covid-19 pandemic.

No other matter or circumstance has arisen since 30 June 2020, other than as disclosed in this report, that has significantly affected or may significantly affect: -

- Imunexus Limited’s operations in future financial years, or
- the results of those operations in future financial years, or
- Imunexus Limited’s state of affairs in future years.

DECLARATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2020

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 30, are in accordance with the *Corporations Act 2001*:

    a) comply with applicable Accounting Standards and the *Corporations Regulations 2001*; and
    b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, based on the factors outlined in note 1 (c) of the financial statements.

This declaration is made in accordance with a resolution of the board of directors.

Mrs Philippa Lewis
Non-executive Chair

Date: 29October 2020

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Independent Auditor's Report to the Members of Imunexus Limited

Opinion

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

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

(a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Company incurred a net loss of $720,001 during the year ended 30 June 2019 (2019: a loss of $1,861,518) and, as of that date, had a net deficiency of assets over liabilities $1,401,124 (2019: net deficiency of $1,001,500). As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Effects of COVID-19

We draw attention to Note 1(p) COVID-19 Considerations, to the financial statements, which describes the uncertainties and possible effects on the Company arising from its management of the on-going issues related to COVID. Our opinion is not modified in respect of this matter.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
29 October 2020

BOARD OF DIRECTORS AND COMPANY PARTICULARS

Directors
- Philippa Lewis
- George Kopsidas

Secretary
- Christopher Elliot

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