starpharma

ASX Announcement

Appendix 4E: Preliminary Financial Report

under ASX Listing Rule 4.3A

Current reporting period: Year ended 30 June 2024

Prior corresponding period: Year ended 30 June 2023

Results for announcement to the market

				$'000
Revenue from continuing operations (Appendix 4E item 2.1)	Up (increase)	132%	to	**$9,756**
Adjusted Revenue* (excluding Mundipharma settlement)	Down (decrease)	24%	to	**$3,203**
Loss from continuing operations after tax attributable to members (Appendix 4E item 2.2, 2.3)	Down (decrease)	48%	to	**$8,165**
Adjusted Loss* (excluding Mundipharma settlement)	Down (decrease)	6%	to	**$14,718**

*Adjusted Revenue is calculated as Revenue ($9,756,000) from continuing operations less nonrecurring revenue of $6,553,000 relating to the commercial settlement and termination of the VivaGel® BV license and supply agreement with Mundipharma in August 2023. Adjusted Loss likewise subtracts the above nonrecurring revenue from the Loss for the period.

Dividends (Appendix 4E items 2.4 and 2.5)

No dividends have been paid or declared by the entity since the beginning of the current reporting period. No dividends were paid for the previous corresponding period. No record date for determining entitlements to dividends has been declared.

Explanation of Revenue (Appendix 4E item 2.6)

Revenue of $9,756,000 (2023: $4,208,000) for the year includes product sales, royalty and license, and research revenue from commercial partners of $8,289,000 (2023: $2,939,000), and interest income on cash invested in term deposits of $1,467,000 (2023: $1,269,000). Revenue included a nonrecurring $6,553,000 from the commercial settlement of the VivaGel® BV license and supply agreement with Mundipharma in August 2023. Excluding the Mundipharma settlement, half-year adjusted revenue was $3,203,000, an 24% decrease on prior corresponding period revenues, with lower product sales in the current period.

For further details, refer to the Annual Report which follows this announcement.

Explanation of Loss (Appendix 4E item 2.6)

The loss after tax was $8,165,000 (2023: $15,638,000 loss) and includes nonrecurring revenue of $6,553,000 from the Mundipharma commercial settlement. After adjusting for the non-recurring revenue, the loss after tax is $14,718,000, $920,000 less than the prior year. Research and product development expense was $10,053000 (2023: $11,239,000) net of the Australian Government's R&D tax incentive. Research expenditures are primarily associated with the internal DEP® drug delivery programs, including DEP® docetaxel, DEP® cabazitaxel, DEP® irinotecan, DEP® ADCs and DEP® radiotheranostics, and the post-market study of Viraleze™.

For further details, refer to the Annual Report which follows this announcement.

Financial Statements (Appendix 4E items 3, 4 and 5)

Refer to the Annual Report which follows this announcement.

Accumulated Losses (Appendix 4E item 6)

Refer to note 18 in the Annual Report, which follows this announcement.

Net Tangible Asset Backing (Appendix 4E item 9)

Net tangible asset (NTA) backing per ordinary share at 30 June 2024 is $0.07 (2023: $0.08).

Other Significant Information (Appendix 4E item 12)

Refer to the Annual Report which follows this announcement.

Commentary on Results (Appendix 4E item 14)
Refer to the Annual Report, which follows this announcement, including the Operating and Financial Review in the Directors' Report.

Audit (Appendix 4E items 15 to 17)

The audit of the financial statements and notes has been completed and the Auditors' Report to members is contained in the Annual Report, which follows this announcement. The above NTA backing calculation is considered a non-IFRS value and has not been audited or reviewed in accordance with Australian Accounting Standards.

Appendix 4E items 7, 8, 10, 11, and 13 are not applicable.

starpharma

ASX Announcement

Starpharma Annual Report and Full-Year Financial Results

Melbourne, Australia; 22 August 2024: Starpharma (ASX: SPL, OTCQX: SPHRY), an innovative biotechnology company with two decades of experience in advancing dendrimer technology from the lab to the patient, today releases its annual report and full-year financial results for the year ended 30 June 2024.

Starpharma's Chief Executive Officer, Cheryl Maley, commented:

"Starpharma is pleased to present its annual report and full-year financial results for the 2024 financial year. Starpharma achieved several important milestones during the year, including reporting results from multiple clinical studies, advancing key projects in our pipeline, and forming new partnerships, all of which will contribute to our continued growth.

"Our primary focus remains on delivering impactful healthcare, medical, and pharmaceutical solutions that not only drive value for our shareholders but also make a meaningful difference in the lives of people, especially those battling serious illnesses like cancer.

"We are aware of the challenges we face with our underperforming share price and small market capitalisation. Everyone at Starpharma is committed to realising our strategic imperatives – maximising DEP® asset value, accelerating early asset development, and building long-term sustainability – and we are taking the necessary steps to achieve them. We are confident that reaching these goals will help to increase shareholder value, and we look forward to sharing our progress with our shareholders as it unfolds.

"Importantly, we have sufficient capital to support our objectives, with a cash balance of $23.4 million as at 30 June 2024. The completion of several clinical programs has led to a reduction in our research and development expenses, extending our cash runway. Shareholders should know that we are focusing on increasing revenue, with a number of opportunities on the horizon."

Key Financial Results

- Ended the 2024 financial year with $23.4 million cash on hand.
- Reported loss down 48% to $8.2M (FY23: $15.6M).
- Net cash outflow of $11.8 million (FY23 $14.8 million), with cash outflow from operations of $6.9 million, down $7.4 million from FY23 ($14.3 million)
- Revenue up 132% to $9.8M (FY23: $4.2M), including the one-time $6.6M cash payment from Mundipharma on termination of the VivaGel® BV license and supply agreement.
- Starpharma received a $7.2 million FY23 R&D tax incentive refund in October 2023, with a further FY24 R&D tax incentive refund of approximately $5.0 million expected in H1 FY25.

Operational Highlights

- **Reported the results from all three Phase II clinical trial programs – DEP® SN38, DEP® cabazitaxel, and DEP® docetaxel**. All three programs provided clinical validation of the DEP® technology; over 350 patients have now been treated using DEP® products. The trials showed promising anti-tumour activity and improvements in efficacy, including longer median progression-free survival (mPFS) and higher overall survival (OS) rates, than published data on standard-of-care treatment regimens. The DEP® products also demonstrated improved tolerability profiles in patients with advanced, heavily pre-treated cancers, including lower

rates of severe adverse events, compared with standard-of-care treatments. Importantly, the DEP® treatments extended the lives of many patients and allowed many to live more fulfilling and enriched lives.

- **Confirmed plans to progress Starpharma's DEP® HER2 radiodiagnostic program towards a first-in-human clinical trial**, following promising early-stage imaging data in HER2-positive (HER2+) cancers. Starpharma's DEP® radiopharmaceuticals program continues to show that DEP® dendrimers are a promising, versatile, and multifunctional platform for developing precision radiotheranostics for cancer imaging and therapeutic applications. This dendrimer technology bridges the gap between small molecules and large antibodies, offering the potential to improve performance and overcome limitations associated with existing technologies and treatments.
- **Partnered with Medicxi, a leading life sciences investment firm, to co-found Petalion Therapeutics, an asset-centric company focusing on developing a novel cancer therapy using Starpharma's dendrimer technology.** Starpharma receives an equity holding of 22.5% in Petalion in return for licensing certain intellectual property for the research, development, and commercialisation of this potential new cancer therapy.
- **Presented the advantages of Starpharma's DEP® dendrimer technology in oncology at multiple international industry conferences,** including the American Society of Clinical Oncology (ASCO) Annual Meeting in the US, the ASCO Gastrointestinal Cancers Symposium in the US, the International Conference on Molecular Targets, co-hosted by the American Association of Cancer Research (AACR), National Cancer Institute (NCI), and the European Organisation for Research and Treatment of Cancer (EORTC) in the US, and the Society of Nuclear Medicine and Molecular Imaging (SNMMI) Annual Meeting in Canada.
- **Partnered with ITROM Pharmaceutical Group to sell and distribute VivaGel® BV in 13 countries across the Middle East and North Africa region**. Bacterial vaginosis is highly prevalent in this region, presenting a market need and commercial opportunity for new and effective therapeutic approaches. This agreement came shortly after Starpharma terminated the VivaGel® BV license to Mundipharma, regained the commercial rights to Mundipharma's territories, and received a one-time A$6.6 million cash payment from Mundipharma.
- **Generated clinical evidence demonstrating the effectiveness of Viraleze™ in humans.** The results from the post-market clinical study of Viraleze™ in COVID-19 patients showed that Viraleze™ achieved a statistically significant reduction in SARS-CoV-2 viral load in the cohort of patients aged 45 and over. This data will support the regulatory transition to the new European Medical Device Regulations, which come into full effect in 2029. The findings will also support ongoing marketing and commercial activities.
- **Achieved Great Place to Work® certification for the second consecutive year.** This external recognition is a testament to our team's positive workplace environment and company culture.

About Starpharma

Starpharma ASX: SPL, OTCQX: SPHRY) is an innovative biotechnology company with two decades of experience in advancing dendrimer technology from the lab to the patient. Our mission is to help patients with significant illnesses, such as cancer, achieve improved health outcomes and quality of life through the application of our unique dendrimer technology.

Dendrimers are precise, synthetically manufactured, nanoscale molecules. Their unique properties—including their size, structure, high degree of branching, polyvalency, and water solubility—are advantageous in medical and pharmaceutical applications.

Starpharma's portfolio of dendrimer-based products includes three clinical-stage DEP® (dendrimer enhanced product) assets, preclinical radiopharmaceutical assets, research collaborations, and three commercially marketed over-the-counter (OTC) products.

For more information about Starpharma, visit www.starpharma.com or connect with Starpharma on LinkedIn.

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Disclosure
This ASX Announcement was authorised for release by the Chair, Mr Rob Thomas.

Forward-Looking Statements

This document contains certain forward-looking statements, relating to Starpharma's business, which can be identified by the use of forward-looking terminology such as "promising", "plans", "anticipated", "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to", "potential", "seeking to", "goal", "could provide", "intends", "is being developed", "could be", "on track", or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other authorities' requirements regarding any one or more product candidates, nor can there be any assurance that such product candidates will be approved by any authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected trial results, including additional analysis of existing data, and new data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, or expected. Starpharma is providing this information as of the date of this document and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise. Clinical case studies and other clinical information given in this document are given for illustrative purposes only and are not necessarily a guide to product performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of future results. Nothing contained in this document, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of any Starpharma product.

Delivering meaningful patient outcomes with advanced dendrimer technology

starpharma

Annual Report
2024

Starpharma is an innovative biotechnology company with two decades of experience in advancing dendrimer technology from the lab to the patient.

Our mission is to help patients with significant illnesses, such as cancer, achieve improved health outcomes and quality of life through the application of our unique dendrimer technology.

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Highlights

Reported the results from all three Phase II clinical trial programs – DEP® SN38 (DEP® irinotecan), DEP® cabazitaxel, and DEP® docetaxel. All three programs provided clinical validation of the DEP® technology; over 350 patients have now been treated using DEP® products. The trials showed promising anti-cancer activity and improvements in efficacy, including longer median progression-free survival (mPFS) and higher overall survival (OS) rates, than published data on standard-of-care regimens. The DEP® products also demonstrated improved tolerability profiles in patients with advanced cancers, including lower rates of severe adverse events, compared with standard-of-care treatments. Importantly, the DEP® treatments extended the lives of many patients who had failed other therapies and allowed many to live more fulfilling and enriched lives.

Confirmed plans to progress Starpharma's DEP® HER2 radiodiagnostic program towards a first-in-human clinical trial, following promising early-stage imaging data in HER2-positive (HER2+) cancers. Starpharma's DEP® radiopharmaceuticals program continues to show that DEP® dendrimers are a promising, versatile, and multifunctional platform for developing precision radiotheranostics for cancer imaging and therapeutic applications. This dendrimer technology bridges the gap between small molecules and large antibodies, offering the potential to improve performance and overcome limitations associated with existing technologies and treatments.

Partnered with Medicxi, a leading life sciences investment firm, to co-found Petalion Therapeutics, an asset-centric company focusing on developing a novel cancer therapy using Starpharma's dendrimer technology. Starpharma receives an equity holding of 22.5% in Petalion in return for licensing certain intellectual property for the research,development, and commercialisation of this potential new cancer therapy.

Achieved Great Place to Work® certification for the second consecutive year. This external recognition is a testament to our team's positive workplace environment and company culture.

Presented the advantages of Starpharma's DEP® dendrimer technology in oncology at multiple international industry conferences, including the American Society of Clinical Oncology (ASCO) Annual Meeting in the US, the ASCO Gastrointestinal Cancers Symposium in the US, the International Conference on Molecular Targets, co-hosted by the American Association of Cancer Research (AACR), National Cancer Institute (NCI), and the European Organisation for Research and Treatment of Cancer (EORTC) in the US, and the Society of Nuclear Medicine and Molecular Imaging (SNMMI) Annual Meeting in Canada.

Partnered with ITROM Pharmaceutical Group to sell and distribute VivaGel® BV in 13 countries across the Middle East and North Africa region. Bacterial vaginosis is highly prevalent in this region, presenting a market need and commercial opportunity for new and effective therapeutic approaches. This agreement came shortly after Starpharma terminated the VivaGel® BV license to Mundipharma, regained the commercial rights to Mundipharma's territories, and received a one-time A$6.6 million cash payment from Mundipharma.

Generated clinical evidence demonstrating the effectiveness of VIRALEZE™ in humans. The results from the post-market clinical study of VIRALEZE™ in COVID-19 patients showed that VIRALEZE™ achieved a statistically significant reduction in SARS-CoV-2 viral load in the cohort of patients aged 45 and over. This data will support the regulatory transition to the new European Medical Device Regulations, which come into full effect in 2029. The findings will also support ongoing marketing and commercial activities.

Received a $7.2 million research and development (R&D) tax incentive refund in October 2023 under the Australian Federal Government's R&D Tax Incentive scheme. This tax refund pertains to eligible domestic and international R&D activities across Starpharma's portfolio. The government scheme is important in supporting local companies like Starpharma to innovate and grow.

Chairman's Report

We are deeply committed to our mission of helping patients with significant illnesses, such as cancer, achieve improved treatment outcomes and quality of life through the application of our unique dendrimer technology.

Rob Thomas AO Chairman

Dear shareholders,

On behalf of the Board of Directors, I am pleased to present Starpharma's 2024 Annual Report to our fellow shareholders.

2024 marks a significant year of transition for Starpharma, highlighted by Cheryl Maley assuming the role of CEO after an international search and Jackie Fairley's retirement. Jackie dedicated over 17 years to our company; we are grateful for her service and leadership, as well as her assistance during the transition.

This leadership transition provided us with a valuable opportunity to reflect on Starpharma's journey and learnings and critically evaluate our current position. While we believe the current share price does not reflect the true value of our dendrimer technology and current assets, the Board recognises that the market requires further commercial validation of our technology. This is our prime focus.

We are deeply committed to our mission of helping patients with significant illnesses, such as cancer, achieve improved treatment outcomes and quality of life through the application of our unique dendrimer technology.

Under Cheryl's leadership, we are confident in our ability to execute our strategy effectively and improve shareholder value. Cheryl has already made a profound impact on our organisation, and we look forward to the future with great anticipation.

During FY24, we were pleased to report positive outcomes from our Phase II clinical trials of DEP® SN38, DEP® cabazitaxel, and DEP® docetaxel. These trials have shown promising anti-tumour efficacy, including longer progression-free survival than published data on standard-of-care treatment options, and excellent tolerability profiles in patients with challenging-to-treat cancers.

These are positive achievements and demonstrate the abilities of Starpharma's DEP® technology in cementing our core mission of providing improved treatment options for patients with significant illnesses.

We went on to showcase our leading candidates, DEP® SN38 and DEP® cabazitaxel, at the prestigious ASCO Annual Meeting in Chicago in June 2024. This recognition not only underscores the clinical interest in our Phase II results but also validates the potential of these treatments in cancer therapy.

Starpharma's dendrimer drug delivery technology has now demonstrated clinical benefits in over 350 patients, garnering strong support from clinical investigators and reinforcing our leadership in this field. We are at the forefront of this innovative technology.

350+ patients

have experienced clinical benefits from Starpharma's dendrimer drug delivery technology

While chemotherapy remains fundamental in cancer treatment, emerging technologies such as radiopharmaceuticals and antibody-drug conjugates (ADCs) necessitate continuous adaptation and acceleration of our research and development efforts. Recent high-value mergers and acquisitions, as well as product approvals and successes, underscore the industry's growing interest in these technologies.

Looking forward, our focus on advancing our DEP® radiopharmaceuticals, including a radiodiagnostic and radiotherapeutic, reflects our commitment to research and development in novel therapeutic areas.

Collaborations are integral to Starpharma's strategy, enabling broader application of our dendrimer technology across various therapeutic areas. We value our partnerships deeply and continue to evolve our collaboration models to expedite progress and maximise value.

The formation of Petalion Therapeutics in partnership with Medicxi exemplifies our dedication to exploring new partnership models and accelerating early asset development. An important advantage of the asset-centric approach is Petalion's ability to accelerate development, and this partnership is progressing well.

Our partnerships with Genentech and MSD continued to progress, and our chemistry teams are diligently working to deliver the desired outcomes for both partners.

Our commercial products, VivaGel® BV and VIRALEZE™ Nasal Spray are important for generating additional revenue for the company and supporting our sustainable growth objectives. We were pleased to announce that the post-market clinical study of VIRALEZE™ had shown positive results, demonstrating its antiviral efficacy. Additionally, we partnered with ITROM Pharmaceutical Group to sell and distribute VivaGel® BV in the Middle East and North Africa region after successfully negotiating an exit from the Mundipharma distribution agreement. We consider these developments to be important steps towards growing revenue from both products.

Starpharma places great importance on Environmental, Social, and Governance (ESG) initiatives, ensuring responsible business practices. We aim to minimise our environmental impact relative to the scale of our business operations, support our people, and operate with good governance. Our people are at the core of our organisation, and we were delighted to have achieved Great Place to Work® certification for the second consecutive year, recognising our team's positive workplace and company culture. We encourage you to read our ESG Report 2024, which provides more details about our ESG initiatives.

During FY24, we were pleased to report positive outcomes from our Phase II clinical trials of DEP® SN38, DEP® cabazitaxel, and DEP® docetaxel. These trials have shown promising anti-tumour efficacy, including longer progression-free survival than published data on standard-of-care treatment options, and excellent tolerability profiles in patients with challenging-to-treat cancers.

In closing, on behalf of the Board, I wish to thank Cheryl, our leadership team, and the entire Starpharma team for their efforts in recent months. Transition is not easy, but the Board could not be more pleased with how it has gone.

The Company's underperforming share price places additional pressure on all of us. I want shareholders to know that the stock performance has been explicitly considered in determining remuneration. For the 2025 financial year, we have revised the remuneration framework to increase the proportion of at-risk performance-based incentives, both short-term and long-term, for all employees. This change is designed to further align employee rewards more closely with shareholder returns.

The Board of Directors extend sincere thanks to our shareholders, customers, and partners for their continued support. Starpharma is acutely focused on executing its strategic objectives, which include maximising DEP® asset value, accelerating early asset development, and building a financially sustainable business that will generate benefits for patients and shareholders alike.

Rob Thomas AO
Chairman

Chief Executive Officer's Report

A key milestone in our plan to maximise DEP® asset value was the successful presentation of two oral podium sessions at the esteemed American Society of Clinical Oncology (ASCO) Annual Meeting in June 2024.

Cheryl Maley Chief Executive Officer

Dear fellow shareholders,

I am pleased to present Starpharma's 2024 Annual Report for the first time as Chief Executive Officer. Since joining Starpharma, I have observed a culture of passion and determination towards realising our mission of helping patients with significant illnesses, such as cancer, achieve improved health outcomes and quality of life through the application of our unique dendrimer technology. This mission and our commitments to advancing dendrimer technology and boosting shareholder value are at the forefront of our priorities.

In acknowledging the current share price, we are diligently working at Starpharma to enhance value for our shareholders. We are not content with the current position and firmly believe that it does not reflect the true value of our company.

As you know, soon after I started with the company, I, along with the Board and leadership team, conducted a comprehensive review of the business. This rigorous assessment encompassed every facet of our operations, from programs, partnerships, sales, and marketing to regulatory compliance and research. The insights gained from this review, shared with shareholders in May, underscored our strengths in innovation, expertise in dendrimer science, and collaborative ethos.

This evaluation also identified key opportunities, prompting us to refine our core value proposition, enhance execution focus, allocate resources to strategic priorities, strengthen commercial capabilities, and improve shareholder engagement. Guided by these findings, we established three pivotal focus areas: maximising DEP® asset value, accelerating early-stage development, and building long-term sustainability.

Since sharing these strategic imperatives with shareholders approximately three months ago, our team has been dedicated to their realisation.

A key milestone in our plan to maximise DEP® asset value was the successful presentation of two oral podium sessions at the esteemed American Society of Clinical Oncology (ASCO) Annual Meeting in June 2024. The acceptance of Starpharma's Phase II clinical data reinforces the promising potential of DEP® SN38 (DEP® irinotecan) and DEP® cabazitaxel for patients with cancer.

Our participation at ASCO was extremely valuable, as it provided Starpharma with the opportunity to establish meaningful connections with companies with an interest in exploring dendrimer applications in their product pipelines. Our presence at the BIO 2024 Conference and the Society of Nuclear Medicine and Molecular Imaging (SNMMI) Annual Meeting further increased our visibility and potential partner opportunities that could maximise the value of our assets and DEP® technology.

Our focus on radiopharmaceuticals is particularly timely, given the current momentum in this sector. Starpharma's dendrimer technology has great potential in radiopharmaceuticals, offering advantages such as enhanced tumour targeting, rapid blood clearance, excellent imaging contrast, and minimal exposure to radiation-sensitive organs. By advancing our dendrimer technology in this space, internally and with partners, we aim to develop targeted diagnostic and treatment options that offer significant advantages over existing regimens and position us well in a competitive market.

While maximising the value of Starpharma's DEP® clinical assets is our number one priority, accelerating the advancement of new candidates in our early asset development program is crucial to our future success. Following this year's comprehensive review, our scientists are committed to accelerating this development with a renewed focus and rigorous research and development processes.

Our recent strategic partnership with Medicxi exemplifies this focus and our approach to innovation. The formation of Petalion Therapeutics in collaboration with Medicxi represents a novel venture for Starpharma, but it is a partnership model that Medicxi has demonstrated success with. The partnership aims to expedite the development of a promising oncology asset, leveraging our collective expertise. This partnership is progressing well, and we look forward to sharing relevant updates with you in the future.

Achieving self-sustainability is a cornerstone of our long-term strategy, in tandem with our developmental efforts. This goal hinges on increasing revenue from commercialised over-the-counter products, effective cost management, optimising our cash position, and nurturing a culture of excellence and performance within our workforce.

Our strategic initiatives are designed to leverage our strengths, define our commercial priorities, address identified opportunities, and position us for long-term success. We are resolutely committed to and confident in our ability to deliver on these objectives. To ensure transparency and accountability, we have implemented robust project management protocols to monitor and track our progress internally, progress that will also be shared with shareholders along the way.

This report is structured to align with our three strategic pillars and offers an overview of our progress from FY24 within each focus area.

Thank you for your continued support and trust in our vision. We look forward to sharing our continued progress with you and achieving new milestones together.

Cheryl Maley
Chief Executive Officer

Starpharma's Validated DEP® Platform
Advantageous flexible, scalable technology for precision targeted medicine

Clinically validated **DEP® dendrimer** technology

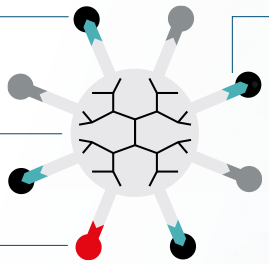
- More than 350 patients have been treated with the DEP® dendrimer technology.
- DEP® dendrimers are easily scalable, precisely manufactured, and Good Manufacturing Practice (GMP) certified.

Flexibility with **drug and linker**

- Flexibility with the number of payload molecules and types, such as cytotoxic or radioisotope, to precisely match the clinical need and therapy characteristics.
- Linkers tether the payload to the dendrimer scaffold and can be designed to release the payload under certain conditions (e.g., low pH, in the presence of certain enzymes). A variety of different linkers can be used depending upon where the drug needs to be delivered.
- Option to use targeting moieties to develop targeted therapy approaches.

Ability to modify **Linker/Chelator** and pharmacokinetics

- Payload release rate and plasma half-life are tuneable, allowing management of both the rate and site of drug/payload release.
- Dendrimer size and charge can be adjusted to control clearance, which can determine the therapeutic clearance route based on the treatment approach or disease, for instance, via the kidney, liver, or spleen.



PEG provides stealth, control clearance, and solubility

- Easier manufacturing and handling of drugs, minimising unwanted drug clearance from the body.

Option to use **targeting moieties** to develop targeted therapy approaches

- Flexible choice of targeting moiety (e.g., antibody, antibody mimetics, peptide, small molecule) provides options for targeting and can be customised to specific therapeutic needs.
- Polyvalency, the ability to have multiple targeting molecules, which can maximise both the affinity and avidity of the targeting molecule with the receptor target.

Dendrimers are highly branched, tree-like macromolecules with a well-defined, 3D structure. DEP® dendrimers are constructed in concentric layers of lysine monomers (generations).

Key Focus Area 1: Maximise DEP® Asset Value

Starpharma's dendrimer-enhanced product (DEP®) drug delivery platform enhances the therapeutic utility of pharmaceutical drugs by improving solubility, efficacy, and control over how the drug is delivered in the body. This can help reduce specific drug-related toxicities. The DEP® platform has shown benefits for a wide range of drug classes, including small molecule drugs, peptides, and proteins. It can also be used in the development of DEP® radiopharmaceuticals and DEP® ADCs. The dendrimer technology offers strategic advantages for companies seeking to extend patents on key drugs or enhance the effectiveness and safety profiles of developmental therapies.

In FY24, Starpharma achieved significant milestones by completing three Phase II clinical studies utilising the DEP® platform. These studies demonstrated promising efficacy against tumours and excellent tolerability. Treatment with these products also extended many patients' lives across the clinical trials. These clinical results were presented at prestigious international oncology conferences like ASCO. Starpharma's current focus centres on optimising the value of its DEP® clinical assets through strategic licensing deals, particularly for the priority products DEP® SN38 and DEP® cabazitaxel.

Starpharma continues to lead dendrimer drug delivery innovation with its DEP® platform, driving advancements in oncology treatments through enhanced efficacy, safety, and targeted delivery mechanisms.

Clinically Validated Technology

DEP® SN38 (DEP® irinotecan) Phase II Clinical Program Results

DEP® SN38 is a patented nanoparticle formulation of SN38, which is the active metabolite of the anticancer drug irinotecan. SN38 is approximately 1000 times more active than its pro-drug, irinotecan, but cannot be delivered directly due to toxicity and insolubility. Instead, irinotecan must be converted to SN38 in the liver, leading to significant patient to patient variability in efficacy, and the generation of toxic metabolites that cause significant gut issues, including severe diarrhoea, nausea and vomiting.

DEP® SN38 achieves solubilisation and allows for direct delivery of SN38, avoiding the need for metabolic conversion of irinotecan to SN38 in the liver. As a result, DEP® SN38 achieves greater tumour targeting of SN38 while significantly reducing severe gastrointestinal side effects. DEP® SN38 represents a promising new drug candidate for companies looking to develop a treatment for platinum-resistant ovarian cancer and/or advanced colorectal cancer, which are both areas of unmet clinical need.

In FY24, Starpharma reported the results from the Phase II trial of DEP® SN38, with promising data generated in advanced colorectal cancer and platinum-resistant ovarian cancer indications. DEP® SN38 showed clinically meaningful improvements in efficacy, as measured by progression-free survival and objective responses when compared to published data on standard-of-care treatment options. DEP® SN38 was confirmed to be very well tolerated and demonstrated a consistently improved tolerability profile in patients with advanced disease. There was a notable lack of severe gastrointestinal adverse events and no instances of cholinergic syndrome, which are both commonly associated with standard irinotecan. The lack of severe gastrointestinal toxicity, which is a common issue with irinotecan treatment, is a notable feature of Starpharma's product, according to clinical trial investigators. They have been very encouraged by the product's ability to provide long-term treatment without the taxing side effects.

DEP® Pipeline and Next Steps

Product	Target indication	Research	Preclinical	Phase I	Phase II	Strategy
DEP® SN38	Ovarian and colorectal	Phase II results reported				License/co-develop – ovarian, colorectal
DEP® cabazitaxel	Prostate and ovarian	Phase II results reported				License – prostate, ovarian
DEP® HER2 radiodiagnostic	Diagnostic					Optimise and accelerate to preclinical
DEP® HER2 radiotherapeutic	Solid cancers					Advance to clinical
DEP® HER2 ADC	Solid cancers					Advance to preclinical
DEP® docetaxel	Pancreatic and other cancers	Phase II results reported				Lower priority

Furthermore, several patients who have had prolonged responses to therapy and are experiencing ongoing clinical benefit continue to receive access to DEP® SN38 treatment and will be monitored for safety and any change to their disease.

These positive efficacy and tolerability results support the promising clinical utility and potential commercial opportunities for DEP® SN38 in the treatment of advanced colorectal cancer and platinum-resistant ovarian cancer. Starpharma is prioritising the licensing of DEP® SN38 because of its potential to address significant unmet needs in advanced colorectal and platinum-resistant ovarian cancers, as current treatments have reported limited efficacy and high toxicity profiles.

DEP® cabazitaxel Phase II Clinical Program Results

DEP® cabazitaxel is a dendrimer-enhanced version of the drug cabazitaxel (Jevtana®), widely used for treating metastatic castrate-resistant prostate cancer (mCRPC). Unlike standard cabazitaxel, DEP® cabazitaxel is highly water soluble and does not contain toxic excipients, such as the detergent polysorbate 80, eliminating the need for patients to be treated with steroids before chemotherapy.

"The full DEP® irinotecan/DEP® SN38 trial results are very exciting. DEP® SN38 in heavily pre-treated, advanced cancer patients demonstrated highly encouraging efficacy results in a range of tumour types. These responses include significant and sustained tumour shrinkage and disease control in patients with irinotecan-pre-treated colorectal cancer and platinum-resistant ovarian cancer.

Furthermore, DEP® SN38 exhibits excellent tolerability, with a distinct lack of severe gastrointestinal toxicity that is a common and problematic feature of standard irinotecan treatment. Such treatment tolerability, combined with sustained disease control, has meant that many of our patients, including those who are quite young with advanced colorectal cancer, have been able to receive long-term treatment and continue to work and engage socially with their peers, which is very important for their quality of life."

Dr Jia (Jenny) Liu MD PhD FRACP, Medical Oncologist and Principal Investigator at the Kinghorn Cancer Centre, St Vincent's Hospital in Sydney.

Starpharma's aqueous DEP® cabazitaxel formulation offers advantages over generic cabazitaxel formulations containing polysorbate 80. Aqueous formulations are generally better tolerated by patients with a reduced risk of allergic reactions. Poorly soluble drugs can cause hypersensitivity reactions in some patients, ranging from mild skin irritation to severe anaphylactic responses. The improved tolerability can lead to a smoother treatment experience for patients, better adherence to therapy and, from a physician's perspective, the drugs can be administered more easily and reduce preparation time. These benefits align with Starpharma's mission of improving patient outcomes and quality of life during treatment.

In FY24, Starpharma announced the final results from the Phase II trial of DEP® cabazitaxel. The trial showed positive anti-tumour efficacy in mCRPC and other challenging cancers, including platinum-resistant ovarian and gastro-esophageal cancers. The efficacy results, measured by progression-free survival and disease control, were clinically meaningful as all patients had late-stage, hard-to-treat cancers and had failed multiple therapies prior to entering Starpharma's trial.

Continues next page

Promising DEP® SN38 and DEP® cabazitaxel Clinical Results Showcased at the 2024 ASCO Annual Meeting

The final clinical data from the DEP® SN38 and DEP® cabazitaxel Phase I/II clinical trials were showcased at the 2024 ASCO Annual Meeting through oral podium presentations delivered by clinical investigators. This milestone marks a significant achievement for Starpharma, underscoring the clinical relevance of the data and the promising potential of DEP® SN38 and DEP® cabazitaxel in patient care. Furthermore, the acceptance of two oral abstracts at ASCO reflects the clinical interest in Starpharma's DEP® technology platform.

ASCO is a premier global conference for oncology professionals, offering a vital platform for presenting new cancer treatments and the latest advancements in cancer care and technologies. These oral presentations provided Starpharma with a notable opportunity to showcase its innovations on an international stage, emphasising the value of the DEP® technology.

Each year, ASCO receives tens of thousands of abstract submissions, with only a tiny fraction accepted for presentation as posters or oral talks. This year, approximately 4% of accepted abstracts received the distinction of an oral presentation.

Key Focus Area 1: Maximise DEP® Asset Value continued

"In our cancer early phase trials unit at Guy's Hospital, we conduct many studies of novel oncology therapeutics. The results with DEP® cabazitaxel clearly demonstrate promising and durable anti-cancer activity in very hard-to-treat cancer patients, not only in prostate cancer patients but also in platinum-resistant ovarian cancer and advanced gastro-oesophageal cancers. These advanced patients have few treatment options and we have had many patients who benefited from DEP® cabazitaxel therapy. It was also pleasing to see the limited impact on bone marrow function of this agent given these advanced patients are often at risk of complications of chemotherapy-induced bone marrow toxicity, especially low neutrophil counts."

Professor James Spicer, FRCP, MBBS, PhD, Professor of Experimental Cancer Medicine at King's College London and Consultant in Medical Oncology and the Principal Investigator for the trial at Guy's Hospital in London.

Importantly, DEP® cabazitaxel was also well tolerated, with almost 90% of the treatment-related adverse events (AEs) being mild or moderate, and very few severe AEs. Patients did not require routine pretreatment with steroids, and no severe hypersensitivity reactions or anaphylaxis were observed following treatment with DEP® cabazitaxel. The trial underscored DEP® cabazitaxel's favourable safety and tolerability, positioning it as a promising candidate for further clinical development and licensing.

DEP® docetaxel Phase II Clinical Program Results

DEP® docetaxel is a dendrimer nanoparticle formulation of the chemotherapy drug docetaxel (Taxotere®). Conventional docetaxel is used to treat breast, lung, and prostate cancers despite severe side effects such as neutropenia and hypersensitivity reactions. In contrast, DEP® docetaxel is an aqueous detergent-free formulation, minimising these adverse events and removing the need for pre-medication with steroids.

In FY24, Starpharma reported Phase II results for DEP® docetaxel. The trial met its objectives, demonstrating anti-tumour activity across multiple advanced metastatic cancers, including pancreatic, lung, and gastro-oesophageal. The DEP® docetaxel clinical program also confirmed the product's improved tolerability versus conventional docetaxel in terms of key and sometimes dose-limiting adverse events.

The company remains open to proposals from parties interested in further developing this candidate. DEP® docetaxel represents an important part of Starpharma's mission to improve cancer therapy delivery using its advanced dendrimer technology.

Key Focus Area 2: Accelerate Early Asset Development

Starpharma's core value proposition lies in its ability to effectively utilise dendrimer technology in a wide range of applications, particularly in cancer treatment and diagnosis. The company is dedicated to expanding its portfolio of early-stage assets and improving the efficiency of its developmental programs. Our future success hinges on the swift advancement of early-stage assets through in-house efforts and partnerships.

In May 2024, Starpharma committed to intensifying its efforts to develop saleable assets and secure collaborations and licensing deals. Since then, Starpharma has introduced a number of initiatives to improve internal processes and efficiencies and accelerate our research programs. We have also expanded our business development team to support the generation of new collaboration opportunities.

Partnerships are integral to Starpharma's business strategy, enabling the widespread application of its dendrimer technology across diverse therapeutic areas and targets. Starpharma is seeking partnerships that encompass R&D collaborations, co-development opportunities, licence agreements, and technology access.

Starpharma's strategic partnerships and collaborations provide value in advancing its innovative pipeline and expanding the therapeutic reach of its DEP® technology platform.

To advance these goals, Starpharma places particular emphasis on progressing existing partnerships and seeking new partnerships.

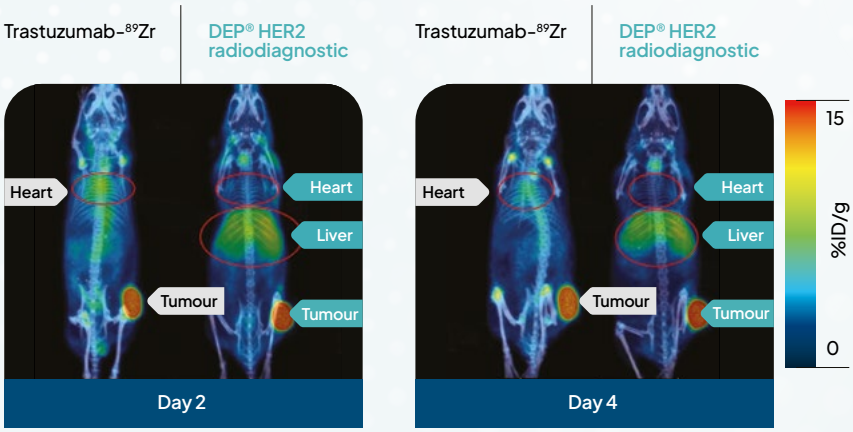
In parallel, Starpharma continues to advance its in-house preclinical program for DEP® ADCs, focusing on optimising candidates and conducting further preclinical studies to demonstrate the DEP® platform's advantages in this high-value therapeutic area.

Advancing DEP® Radiopharmaceuticals Program

Starpharma is advancing its DEP® radiopharmaceutical candidates, a DEP® HER2-radiodiagnostic and a DEP® HER2-radiotherapeutic. In May 2024, Starpharma announced plans to initiate a first-in-human clinical study for its DEP® HER2-radiodiagnostic within the next 12 months, following promising preclinical results. These initiatives underscore Starpharma's commitment to innovation and advancing therapeutic options in oncology.

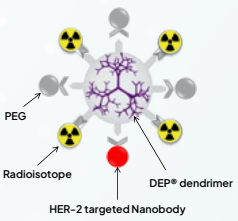
HER2 is a validated and important marker in many cancers, such as breast and gastric cancers. Our aim is to create a HER2-targeted radiodiagnostic that enables the real-time and whole-body evaluation of HER2 status of patients' cancer. The radiodiagnostic could help improve the diagnosis, staging and management of disease, enabling clinicians to monitor responses to therapy, guide treatment options, and assess metastatic spread of disease. We also aim to develop a HER2 targeted radiotherapeutic that improves the treatment of HER2 positive cancers.

DEP® HER2 radiodiagnostic vs Trastuzumab: PET/CT Imaging Performance



Maximum intensity projection (MIP) PET-CT images of BT474 HER2+ tumour-bearing mice dosed with either DEP® HER2-^{89}Zr or Trastuzumab-^{89}Zr

Radio-conjugates administered at t=0
Representative mice shown at Day 2 (left side) or Day 4 (right side) after injection
Scale bar (% ID/g) is shown to the right



- **DEP® HER2 radiodiagnostic achieved excellent imaging contrast between tumour and normal tissue, similar to Trastuzumab.**
- Higher levels of activity are observed in heart for Trastuzumab at Day 2 and Day 4, consistent with ex vivo blood activity data.
- DEP® HER2 radiodiagnostic shows uptake in liver, consistent with macrophage-related clearance described for nanoparticles in size range.

Key Focus Area 2: Accelerate Early Asset Development continued

During the year, the DEP® platform's adaptability in delivering targeted radiopharmaceuticals was showcased at prestigious conferences, including the Society of Nuclear Medicine and Molecular Imaging (SNMMI) Annual Meeting in June 2024, the Targeted Radiopharmaceuticals Summit in Berlin in December 2023, and the AACR-NCI-EORTC Conference in October 2023, emphasising its potential to advance cancer imaging and treatment.

Pictured (left to right): Dr Jeremy Paull, VP of Development & Regulatory Affairs, Justin Cahill, CFO and Company Secretary, Cheryl Maley, CEO, Shyam Masrani, Principal at Medicxi and Chair of Petalion, Dr Mehdi Shahidi, CEO of Petalion, and Dr Tony Eglezos, VP of Business Development.

Partnership with Medicxi: Petalion Therapeutics

In April 2024, Starpharma announced a strategic partnership with Medicxi, a prominent healthcare and life sciences investment firm, to establish Petalion Therapeutics. This partnership is dedicated to advancing a novel cancer therapy leveraging Starpharma's DEP® dendrimer platform technology.

Medicxi has committed an initial investment of up to USD $25 million to fund Petalion's development efforts. Starpharma will license specific background intellectual property (IP) essential for research, development, manufacturing, and commercialisation to Petalion, securing a 22.5% stake in the venture.

Dr Mehdi Shahidi, a seasoned pharmaceutical executive and clinical oncologist with extensive experience in drug development, has been appointed as CEO of Petalion. Dr Shahidi's leadership will guide Petalion's strategic direction, leveraging his background as Corporate Senior Vice President, Chief Medical Officer, and Global Head of Medicine at Boehringer Ingelheim. Additionally, David McIntyre, Starpharma's non-executive director, assumes a directorship role at Petalion, ensuring Starpharma's interests are represented.

Medicxi's deep expertise in asset-centric investments, coupled with their highly experienced team, positions them as an ideal partner for Starpharma. Since signing the agreement, the teams from Starpharma and Medicxi have collaborated closely to advance various project aspects. One significant benefit of this partnership for Starpharma is its capacity for expedited, agile and flexible operations while accelerating learning and demonstrating R&D progress.

In June 2024, Starpharma was delighted to host Dr Mehdi Shahidi and Shyam Masrani, Principal at Medicxi and Board Chair of Petalion, at its office in Melbourne (pictured above). It was fantastic to connect and introduce them to the wider Starpharma team, and to discuss the Petalion project.

Ongoing Collaborations and Initiatives

Throughout the year, Starpharma has continued its collaborations with Genentech and MSD. The details of the research remain confidential due to the sensitive nature of their projects. In these partnerships, Starpharma provides dendrimer chemistry expertise and develops functionalised dendrimers for its partners to test.

In July 2023, AstraZeneca discontinued the development of AZD0466. While Starpharma had hoped for a different outcome, it is important to recognise that the AZD0466 program brought several important benefits to Starpharma's DEP® platform technology. These benefits include demonstrating the ability of DEP® to expand the therapeutic index of a highly toxic drug, presenting multiple posters, presentations, and publications at major global conferences, generating intellectual property with applications outside of the program, and receiving approximately A$11 million in milestone payments. These achievements enhanced the profile of Starpharma's DEP® platform and facilitated the development of new partnerships with other companies.

In July 2023, Starpharma partnered with the University of Queensland's Hub for Advanced Manufacture of Targeted Radiopharmaceuticals (AMTAR Hub) to bolster research and development efforts for targeted DEP® radiopharmaceuticals.

In July 2024, Starpharma announced that it will collaborate with The University of Technology Sydney (UTS) and CSIRO on the research and development of an mRNA vaccine for antimicrobial-resistant (AMR) urinary tract infections (UTIs). As part of the program, Starpharma's DEP® dendrimer technology will be investigated for its ability to improve the formulation and performance of the nanoparticle-based mRNA vaccine candidates being developed by UTS and CSIRO.

Key Focus Area 3: Build Long-Term Sustainability

Starpharma is dedicated to achieving long-term self-sustainability by bolstering revenues, continually strengthening our intellectual property position, always striving for a high-performance culture, and effectively managing costs. Our current focus includes increasing revenue, enhancing efficiency, and reducing costs, all of which align with our long-term goal of sustainability.

During FY24, Starpharma initiated measures expected to reduce fixed costs by approximately $2 million by the end of FY25, alongside identifying further potential savings. The company anticipates further strides in financial sustainability, having strengthened our business development and digital marketing capabilities.

Starpharma is actively pursuing a path to financial sustainability while advancing patient care and fostering a responsible, impactful presence in our industry.

Commercialised Over the Counter (OTC) Products

VivaGel® BV

VivaGel® BV is a novel, non-antibiotic gel developed by Starpharma for the treatment of bacterial vaginosis (BV) and the prevention of recurrent BV and its symptoms. BV is a common condition affecting an estimated one in three women globally. VivaGel® BV is registered in over 40 countries and is currently distributed by Aspen in Australia and New Zealand.

After ending the agreement with Mundipharma in August 2023 for a one-time payment of A$6.6 million and regaining territorial rights, Starpharma has actively sought a new partner for these regions to expand the global distribution of VivaGel® BV. We are currently engaged in business development activities to achieve this goal in line with our broader strategic objectives.

In January 2024, Starpharma formed a partnership with ITROM Pharmaceutical Group to market VivaGel® BV across 13 countries in the Middle East and North Africa. ITROM's extensive network in both public and private health sectors positions us well for a planned FY25 launch following the transfer of marketing rights from Mundipharma.

In February 2024, Starpharma concluded a formal dispute resolution with the FDA regarding VivaGel® BV's regulatory pathway in the US. While the FDA upheld its requirement for additional clinical efficacy data, Starpharma has opted not to proceed with further independent studies at this time. Instead, we remain committed to maximising commercial potential in over 40 approved markets. Consequently, we mutually agreed with EDW Pharma, formerly ITF Pharma, to exit the US license agreement signed in 2018.

VIRALEZE™ Nasal Spray

VIRALEZE™ is a broad-spectrum topical antiviral nasal spray developed by Starpharma to provide added protection against colds and respiratory viruses in the nasal cavity. Viral infections commonly affect the upper respiratory tract and can potentially lead to more serious infections or diseases. VIRALEZE™ is registered in over 35 countries and is primarily sold online, with local distribution in a number of countries in Asia.

Starpharma conducted a post-market clinical study of VIRALEZE™ in COVID-19-positive patients. In January 2024, Starpharma reported results from this study, demonstrating the effectiveness of VIRALEZE™ in reducing SARS-CoV-2 viral load, accelerating virus clearance from the nasal passage, and improving key COVID-19 symptoms, with statistical significance in the 45+ age group. These findings will support compliance with the new European Medical Device Regulations (MDR) that will take effect in 2029, as well as Starpharma's ongoing marketing efforts.

Sales through Starpharma's online channels in the UK and EU increased in FY24. As part of Starpharma's strategic review in May 2024, the company identified increasing revenue from the online sales of VIRALEZE™ as a key objective for FY25.

Starpharma has recently implemented several initiatives to support this goal, including undertaking a comprehensive analysis of target users, launching targeted digital marketing campaigns, and enhancing the brand's online presence. These initiatives are ongoing and aim to optimise the customer experience and drive revenue growth.

Throughout the year, Starpharma continued progressing the application for marketing authorisation in Australia, submitting clinical data from the post-market study to support the submission. VIRALEZE™ is not approved for use or supply in Australia, and Starpharma awaits a decision by the Therapeutic Goods Administration (TGA).

Strong Intellectual Property Position

Starpharma has a strong intellectual property position with 19 active patent families, over 150 granted patents, and more than 40 patent applications pending. The company is committed to protecting its existing background IP for DEP® and generating new IP in novel areas.

ESG Commitments

Starpharma remains steadfast in its commitment to ethical conduct, sustainability, and innovation within the biopharmaceutical sector. Our annual ESG report underscores our dedication to environmental impact, workplace values, product safety, and governance principles. Achieving Great Place to Work® certification for the second consecutive year underscores our positive workplace culture and commitment to diversity and inclusivity. Read the full 2024 ESG Report on our website.

3-Year Financial Summary

	FY24 $M	FY23 $M	FY22 $M
Total revenue and other income	9.8	4.3	5.2
Expenditure, including the cost of goods sold	(17.9)	(19.9)	(21.4)
Loss for the period	(8.2)	(15.6)	(16.2)
Net operating cash outflows	(7.0)	(14.3)	(13.2)
Net investing and financing cash inflows (outflows)	(4.8)	(0.5)	2.4
Cash and cash equivalents at end-of-year	23.4	35.2	49.9

Starpharma concluded FY24 with a cash balance of $23.4 million as at 30 June 2024. The Company's revenue was $9.8 million, which included $6.6 million from the commercial settlement and exit of the VivaGel® BV license and supply agreement with Mundipharma, as well as product sales, royalties, and research revenue from commercial partners.

The FY24 loss after tax was $8.2 million, and the company is pleased to note a consistent downward trend. Expenditure included investment in research and development (R&D) for the DEP® clinical assets, DEP® radiopharmaceuticals, and DEP® ADCs, and the post-market clinical study of VIRALEZE™.

The net operating cash outflows for the year were $7.0 million, which was lower than the previous year, with the $6.6 million Mundipharma settlement received in August 2023. Investing and financing cash outflows included the repayment of the $4.0 million Invest Victoria R&D cash flow, following the $7.2 million FY23 R&D Tax Incentive refund received in October 2023.

Starpharma anticipates an additional approximately $5.0 million R&D Tax Incentive refund for FY24 in the first half of FY25.

Outlook

As Starpharma continues to prioritise its three strategic imperatives, which are aimed at driving shareholder value, the company has defined clear milestones it aims to achieve in the short and medium term. These milestones are weighted within the context of each strategic imperative, and our resources are aligned with these weightings to ensure effective execution and delivery.

As outlined in this Annual Report, Starpharma's top priority is to license a DEP® asset, with DEP® SN38 (DEP® irinotecan) and DEP® cabazitaxel as our priority candidates for licensing. Early asset development is crucial to our future success, and we are prioritising the development of new targets in-house. We see research collaborations as important to our company's growth and are focusing on business development in novel diagnostic and therapeutic areas concurrently. Increasing revenue from the sale of VIRALEZE™ and VivaGel® BV is also a key focus for the company, and we have already implemented a series of measures designed to achieve this during FY25.

At its core, Starpharma is striving to enhance shareholder value through a renewed focus and emphasis on delivering tangible outcomes for shareholders. We are confident that reaching these goals has the potential to generate significant impacts for patients and substantial returns for shareholders, and we are fully committed to achieving them.

Strategic Priorities

01
Maximise DEP® asset value

Prioritising DEP® SN38 and DEP® cabazitaxel

02
Accelerate early asset development

Advancing DEP® radiopharmaceuticals and partnerships

03
Build long-term sustainability

Increasing revenue, strengthening IP position and fostering a high-performance culture

Directors' Report

The directors are pleased to present this report on the consolidated entity (referred to hereafter as the "group", "company", or "Starpharma") consisting of Starpharma Holdings Limited (the "Parent Entity") and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were directors of Starpharma Holdings Limited at the date of this report and during the whole of the financial year:

R B Thomas, AO (Chairman)

L Cheng

D J McIntyre

J R Davies

R Basser

J K Fairley (retired as Chief Executive Officer and Managing Director on 8 January 2024)

C Maley (appointed as Chief Executive Officer and Managing Director on 8 January 2024)

Information on Directors

Robert B Thomas AO

BEc, MSAA, SF Fin, FAICD, FRSN

Independent non-executive director (appointed 4 December 2013) and Chairman from 13 June 2014

Experience:	Mr Thomas has a strong background in financial services and capital markets and is a non-executive director of several Australian listed companies. He was previously a Partner of Potter Partners (now UBS), where he was also Head of Research. Mr Thomas is the former Chief Executive Officer (CEO) of County NatWest Securities and then became CEO and then Chairman of Citibank Corporate and Investment Bank in Australia. Mr Thomas has also held the position of Chairman at Australian Wealth Management Ltd (ultimately IOOF Ltd), TAL (Australia's largest life insurance company) and HeartWare® International Inc, the second largest global manufacturer of left ventricular assist heart pumps. Mr Thomas is currently a non-executive director of ASX-listed Biotron Limited and Clarity Pharmaceuticals Limited. Mr Thomas is also Chair of AusBio Ltd, Grahger Investments, Chair of the State Library of NSW Foundation and a director of O'Connell Street Associates. For many years Mr Thomas was regarded as one of Australia's leading financial analysts and regularly lectured with Financial Services Institute of Australia (FINSIA). He has considerable expertise in Mergers & Acquisition (M&A) and capital markets including advising on the floats of Commonwealth Bank of Australia and Qantas, and vast experience in Audit and Risk Management. Mr Thomas is also approved under the NSW prequalification scheme for Audit and Risk Committee Independent Chairs and Members for government/public sector agencies and has previously served as the Chairman of the Audit and Risk Committee of Virgin Australia Limited (for 11 years), HeartWare® International Inc, REVA Medical Limited and the State Library of NSW. Mr Thomas holds a Bachelor of Economics from Monash University, a Diploma of Business (Accounting) from Swinburne and is a fellow of FINSIA. Mr Thomas is also a Master Stockbroker, a Fellow of the Australian Institute of Company Directors and a Fellow of the Royal Society of New South Wales.
Committee membership:	Member of Remuneration and Nomination Committee. Member of Audit and Risk Committee.
Other current directorships of ASX listed entities:	Biotron Limited and Clarity Pharmaceuticals Limited.

Directorships of other ASX listed entities within last three years:	None.
Specific skills and experience areas	In addition to Mr Thomas' significant finance and M&A/capital markets experience, Mr Thomas' non-executive roles with various ASX listed companies have deepened his skills and experience in relation to accounting/corporate finance; audit and risk; governance; licensing and commercialisation of innovation; strategy and risk management; occupational health & safety ("OH&S"); and remuneration. He has also had significant experience with US-based companies as they progress from research to commercialisation.
Interests in Starpharma Holdings Limited:	1,900,000 ordinary shares.

Cheryl Maley

BSc, DipEd, MBA, GAICD

Chief Executive Officer and Managing Director (appointed 8 January 2024)

Experience:	Cheryl has over 25 years of experience in the pharmaceutical industry, including 20 years in leadership roles at well-known and leading organisations, including Novartis and AbbVie. Her previous roles include nine years at Novartis in senior commercial and executive roles and various sales and marketing positions with AbbVie/Abbott, Servier Laboratories, and Wyeth Pharmaceuticals. Cheryl has extensive experience leading pharmaceutical innovation, marketing strategies, and business growth across Australia, Asia, and international markets. She has a strong commercial background and a proven record of successful product launches and patient access and reimbursement to innovative medicines. During her nine-year career at Novartis, Cheryl held senior leadership positions, responsible for new products, commercialisation, strategy, and reimbursement matters. She also held General Management roles in both the Philippines and Australia. Cheryl most recently served as the Acting CEO and Strategic Advisor at Biointelect, a firm specialising in strategic planning and commercialisation for the biopharmaceutical and medical device sector.
Committees:	Attends Board Committee meetings by invitation.
Other current directorships of ASX listed entities:	None.
Directorships of other ASX listed entities within the last three years:	Clarity Pharmaceuticals Limited. Medlab Clinical Limited.
Specific skills and experience areas:	With more than 25 years of experience in senior leadership and executive positions for pharmaceutical and biotechnology companies, Cheryl has significant knowledge and leadership skills in pharmaceutical innovation and development, product commercialisation, business development, sales and marketing, strategy and risk management.
Interests in Starpharma Holdings Limited:	125,000 ordinary shares. 2,278,428 employee performance rights.

Information on Directors continued

Jacinth (Jackie) K Fairley

BSc, BVSc (Hons), MBA, GAICD, FTSE

Chief Executive Officer and Managing Director (appointed 1 July 2006 and retired on 8 January 2024)

Experience:	Dr Jackie Fairley has more than 30 years of operational experience in the pharmaceutical and biotechnology industries working in senior management roles with companies including CSL Limited (CSL) and Faulding (now Pfizer). In those roles Dr Fairley had responsibilities which included clinical, regulatory, business development, product development and general management. At Faulding Dr Fairley was responsible for global product development, regulatory affairs and business development for Faulding's hospital business which operated in more than 60 countries. Dr Fairley holds first class honours degrees in Science (pharmacology and pathology) and Veterinary Science from Melbourne University and was a practicing veterinary surgeon prior to joining CSL. Whilst at CSL Dr Fairley obtained a Master of Business Administration from the Melbourne Business School, where she was the recipient of the prestigious Clemenger Medal. Dr Fairley is also a graduate of the Australian Institute of Company Directors. Dr Fairley is a non-executive director of the listed investment company Mirrabooka Investments Limited and a member of the Invest Victoria Advisory Board (IVAB) and Carnegie Venture Capital's investment Committee. Dr Fairley has previously served on the Melbourne Business School Board, the Australian Federal Government's Commonwealth Science Council and Pharmaceutical Industry Working Group, and the Australian Federal Ministerial Biotechnology Advisory Council.
Committees:	Attended Board Committee meetings by invitation.
Other current directorships of ASX listed entities:	Mirrabooka Investments Limited.
Directorships of other ASX listed entities within the last three years:	None.
Specific skills and experience areas:	With more than 30 years' experience in executive roles up to and including as CEO and executive director of ASX listed and unlisted pharmaceutical and biotechnology companies, Dr Fairley's experience covers all key areas described in the Board skills matrix. In particular, Dr Fairley has significant leadership skills in healthcare and scientific research; pharmaceutical development; international experience; licensing and commercialisation of innovation; business development; strategy and risk management; and M&A/capital markets.
Interests in Starpharma Holdings Limited:	4,055,434 ordinary shares. 6,432,648 employee performance rights.

David McIntyre

CPA, LL.B., MBA and B. Econs (Acc)

Independent non-executive director (appointed 1 March 2020)

Experience:	Mr McIntyre has more than 20 years of executive experience including 18 years in the life sciences sector, having held various C-suite level roles at Tessa Therapeutics, Inc., AVITA Therapeutics, Inc., HeartWare® International, Inc., and Braeburn, Inc. Mr McIntyre's experience also includes seven years as a Partner at Apple Tree Partners, a multi-billion-dollar life science venture capital and growth equity fund, giving him a deep knowledge of, and extensive contacts in, the US pharma, medical device and biotech markets. During this time, Mr McIntyre served as a non-executive director of several US life science companies. Prior to entering life sciences, Mr McIntyre practiced as a senior attorney at Baker & McKenzie and KPMG specialising in M&A, initial public offerings, and corporate law and also held various senior finance roles in both multinational companies and small growth companies. Mr McIntyre is based in the US and brings to the table an international lens on life science licensing and commercialisation, marketing and business and development, and M&A/capital markets. Mr McIntyre has significant experience in the areas of accounting/corporate finance, audit and risk, strategy and risk management. Mr McIntyre holds a Bachelor of Economics (Accounting) from the University of Sydney, Australia, a Bachelor of Laws from the University of Technology, Sydney, and a Master of Business Administration from Duke University Fuqua School of Business (Fuqua Scholar) from Durham, North Carolina, in the US. Mr McIntyre is a Certified Practising Accountant and is also admitted as a legal practitioner of the Supreme Court of New South Wales and of the High Court of Australia. Mr McIntyre is Starpharma's nominated director on the Board of Petalion Therapeutics Limited (Petalion), which is an associate of the Group (see Note 24 of the Financial Statements). Starpharma holds a 22.5% equity stake in Petalion, with the remaining equity owned by Medicxi, a UK based venture capital fund. Mr McIntyre does not draw a separate fee from Starpharma or Petalion for this Directorship.
Committee membership:	Chair of Audit and Risk Committee.
Other current directorships of ASX listed entities:	None.
Directorships of other ASX listed entities within the last three years:	None.
Specific skills and experience areas:	With more than 20 years of executive experience including 18 years in the life science sector, Mr McIntyre's experience covers all key areas described in the Board skills matrix. In particular, Mr McIntyre has substantial expertise in accounting/corporate finance, audit and risk; M&A/capital markets; governance; licensing and commercialisation of innovation; strategy and risk management, having held executive roles including Chief Financial Officer and Chief Operating Officer. He has also had significant experience with US based companies in the medical device, biotechnology and pharmaceutical sector.
Interests in Starpharma Holdings Limited:	16,240 ordinary shares.

Information on Directors continued

Lynda Cheng

B.Com, LLB (Hons), GAICD

Independent non-executive director (appointed 1 August 2021)

Experience:	Ms Cheng has a strong background in finance with more than 25 years of experience as a finance executive including more than 15 years at Visy Industries/Pratt Holdings and 10 years in investment banking. She has significant commercial and international corporate expertise including experience in financial services, manufacturing, export finance, infrastructure, education as well as market entry, growth and technology. Ms Cheng is currently Director of Corporate Development and Mergers & Acquisitions at Visy Industries/Pratt Holdings and has held various other roles in the group including CFO. Ms Cheng's earlier roles include as a lawyer at Blake Dawson, before moving into investment banking with J.P. Morgan in its Melbourne, Sydney, San Francisco and New York offices. Ms Cheng is currently an independent, non-executive member of the board of directors at JRJJ Capital, the parent company of Merricks Capital, in an observer/advisory capacity. Ms Cheng previously served as a non-executive director of Export Finance Australia, a member of the Australian Government's International Development Policy Expert Panel and Deputy Chair and Chair of the Finance, Audit and Risk committee of South East Water. Ms Cheng holds a Bachelor of Law (Honours) and Commerce degree, majoring in actuarial studies and economics, from the University of Melbourne, and is a graduate member of the Australian Institute of Company Directors.
Committee membership:	Member of Audit and Risk Committee. Chair of Remuneration and Nomination Committee.
Other current directorships of ASX listed entities:	None.
Directorships of other ASX listed entities within the last three years:	None.
Specific skills and experience areas:	With over 25 years' experience as a finance executive, including substantial international experience and several non-executive directorships, Ms Cheng's experience covers the majority of key areas described in Starpharma's Board skills matrix. In particular, she has substantial expertise in accounting/corporate finance, audit and risk; M&A/capital markets; strategy and risk management; governance; as well as business development. Ms Cheng has had involvement in the commercialisation of new innovations during her tenure at South East Water and also while working with disruptive technology companies in Silicon Valley.
Interests in Starpharma Holdings Limited:	170,555 ordinary shares.

Jeff R Davies

PhD, BSc (Hons)

Independent non-executive director (appointed 1 April 2022)

Experience:	Dr Davies is a former CSL executive with over 35 years of biopharmaceutical experience, holding senior executive roles at CSL, including Executive Vice President & General Manager at CSL for the Asia-Pacific region, and Global Head of Plasma Product Research and Development at CSL-Behring, Switzerland. As Executive Vice President & General Manager at CSL for the Asia-Pacific region, Dr Davies had overall P&L responsibility for the commercial and operational aspects of the business and oversaw the pharmaceutical, plasma, vaccine, and diagnostic businesses in Australia, New Zealand, China, and the broader Asia-Pacific region. As the Global Head of CSL-Behring's Plasma Product Research and Development portfolios, Dr Davies oversaw and played an important role in the development of leading products, including the multi-billion-dollar Privigen® immunoglobulin product. Dr Davies was part of CSL's due diligence teams, which led to the acquisitions of the Plasma Fractionation businesses of Swiss Red Cross (2000) and Aventis Behring (2003), thus transforming CSL into a global company. Dr Davies is a partner and founding director of Centre for Biopharmaceutical Excellence, a pharmaceutical consulting firm. Dr Davies has held a number of senior industry board and advisory roles, including representation on the Pharmaceutical Industry Council, the Australian Red Cross Advisory Board and Medicines Australia. Dr Davies holds a PhD in Biochemistry from Monash University and is a graduate of the London Business School's Senior Executive Program.
Committee membership:	Member of Remuneration and Nomination Committee.
Other current directorships of ASX listed entities:	None.
Directorships of other ASX listed entities within the last three years:	None.
Specific skills and experience areas:	With over 35 years of experience within the biopharmaceutical industry, Dr Davies is an accomplished executive skilled in R&D, product development and commercialisation strategy; business development, manufacturing and clinical and regulatory affairs. Dr Davies has significant leadership skills and experience in commercialising scientific research for healthcare products.
Interests in Starpharma Holdings Limited:	929,687 ordinary shares.

Information on Directors continued

Russell Basser

MB.BS FRACP MD

Independent non-executive director (appointed 20 February 2023)

Experience:	Dr Basser is a medical oncologist and former corporate executive with over 30 years of international medical and biopharmaceutical experience, including 21 years at CSL. Dr Basser has substantial expertise in international drug and vaccine development, having held multiple senior executive roles at CSL, including Senior Vice President (SVP) of Research and Development at CSL Seqirus; Chief Medical Officer at CSL Limited/CSL Behring; and SVP of Global Clinical Research and Development at CSL Behring/CSL Limited. During his time at CSL, Dr Basser was responsible for globalising CSL's Clinical Research and Development group and for conception and execution of CSL's clinical trial strategies across a broad range of therapeutic areas from Phase 1 to commercialisation. Dr Basser was a founding member of CSL Seqirus' executive leadership team in 2015 as SVP of Research and Development until his retirement in April 2022. Prior to joining CSL, Dr Basser was a practicing medical oncologist at the Royal Melbourne and Western Hospitals and had an appointment at the Ludwig institute for Cancer Research.
Committee membership:	Member of Remuneration and Nomination Committee.
Other current directorships of ASX listed entities:	Medical Developments International.
Directorships of other ASX listed entities within the last three years:	None.
Specific skills and experience areas:	With over 20 years of executive experience in the biotechnology industry and 10 years as a practicing clinical oncologist, Dr Basser has significant leadership skills and experience in healthcare/scientific research; pharmaceutical product development; international executive experience and skills in regulation/public policy; commercialisation of innovation; business development; governance; strategy; and risk management.
Interests in Starpharma Holdings Limited:	71,428 ordinary shares.

Company Secretary

Mr Justin Cahill commenced as Chief Financial Officer and Company Secretary on 3 April 2023. Mr Cahill has extensive corporate finance and leadership experience in the biopharmaceutical, food and agricultural sectors for both ASX-listed and private companies.

Principal Activities

The principal activities of the group consist of research, development and commercialisation of dendrimer products for pharmaceutical and healthcare applications. Activities within the group are directed towards the development of precisely defined nano-scale materials, including the development of SPL7013 (astodrimer sodium) as a vaginal gel, VivaGel® BV, for the management of bacterial vaginosis, VIRALEZE™ antiviral nasal spray; and as an antiviral condom coating. Starpharma is also applying its proprietary dendrimers to drug delivery to create improved pharmaceuticals and has developed the valuable DEP® (Dendrimer Enhanced Product) delivery platform.

Result

The financial report for the group for the financial year ended 30 June 2024, and the results herein, have been prepared in accordance with Australian Accounting Standards.

The consolidated loss after income tax attributable to ordinary shareholders for the financial year ended 30 June 2024 was $8,165,000 (2023: $15,638,000), with revenue of $9,756,000 (2023: $4,208,000). The net operating cash outflows for the year were $6,977,000 (2023: $14,311,000). The cash balance at 30 June 2024 was $23,360,000 (June 2023: $35,180,000).

Dividends and Distributions

No dividends were paid or declared in respect to the financial year ended 30 June 2024 (2023: Nil).

Review of Operations

Key Focus Area 1: Maximise DEP® Asset Value

Starpharma's DEP® drug delivery platform is being used to enhance the therapeutic utility of drugs through improved solubility, efficacy and pharmacokinetic control, and reductions in specific drug-related toxicities. Starpharma's innovative and proprietary DEP® platform has shown advantages across a wide range of drug classes. It has the potential to provide benefits to small molecule drugs, peptides, and proteins, as well as to the development of radiotheranostics and antibody-drug conjugates (ADCs). The dendrimer technology could benefit companies looking to enhance the outcome of a drug currently in development to improve efficacy and/or reduce toxicity or extend patents of key drugs in their portfolio.

During FY24, Starpharma completed its three DEP® Phase II clinical studies and reported results. With the full clinical dataset now in hand and beginning to share results at oncology conferences such as ASCO, Starpharma's top priority is to maximise the value of the DEP® clinical assets. The key objective is to successfully convert priority assets DEP® SN38 (DEP® irinotecan) and DEP® cabazitaxel into license deals.

Key activities until the date of this report include:

Starpharma reported the results from the Phase II clinical trial programs of DEP® SN38, DEP® cabazitaxel, and DEP® docetaxel. The three programs have clinically validated the DEP® platform technology and have generated valuable data supporting further development of the DEP® clinical candidates. This will provide value in areas of unmet clinical need and knowledge and experience to advance future high-value DEP® candidates towards clinical trials and commercialisation.

The DEP® SN38 Phase II clinical program met its objectives, with endpoints demonstrating positive anti-tumour efficacy in heavily pre-treated patients with a range of difficult-to-treat, advanced, metastatic cancers, including colorectal cancer and platinum-resistant ovarian cancer. The trial also confirmed the product's favourable safety and tolerability profile. Several patients who have had prolonged responses to DEP® SN38 therapy and are experiencing ongoing clinical benefit continue to receive access to DEP® SN38 treatment and will be monitored for safety and any change to their disease.

The promising results from the DEP® SN38 trial were presented as an oral presentation at the ASCO Annual Meeting in June 2024. The presentation generated significant interest from clinicians and the oncology community attending the conference, highlighting the challenges that treating physicians see each day and the benefit the DEP® technology can bring to patients undergoing treatment.

Earlier in the year, interim data on DEP® SN38 were presented at the International Conference on Molecular Targets and Cancer Therapeutics, co-hosted by the American Association of Cancer Research (AACR), National Cancer Institute (NCI), and the European Organisation for Research and Treatment of Cancer (EORTC) in the US (AACR-NCI-EORTC) in October 2023. Additional nonclinical data on DEP® SN38 in combination with immune-oncology agents were also presented at this conference.

The DEP® cabazitaxel Phase II clinical trial met its objectives, with endpoints demonstrating positive anti-tumour efficacy in advanced, metastatic castrate-resistant prostate cancer, platinum-resistant ovarian cancer, and gastro-oesophageal cancers. The trial also confirmed the safety and tolerability of DEP® cabazitaxel.

The full results from the Phase II trial of DEP® cabazitaxel were presented as an oral presentation at the American Society of Clinical Oncology (ASCO) Annual Meeting in June 2024, and data on the efficacy of the product in gastroesophageal cancers were presented at the ASCO Gastrointestinal Cancers Symposium in January 2024.

Acceptance of two oral presentations at the 2024 ASCO Annual Meeting was a significant achievement for Starpharma, demonstrating the significance and value of the data generated in the Phase II clinical programs of DEP® SN38 and DEP® cabazitaxel.

The DEP® docetaxel Phase II clinical program met its objectives, with endpoints demonstrating encouraging anti-tumour activity in multiple advanced, metastatic cancers, including pancreatic cancer, gastro-oesophageal cancer, non-small cell lung cancer, and cholangiocarcinoma. The safety and tolerability of DEP® docetaxel were also confirmed. These results were demonstrated in the monotherapy and combination arms, where DEP® docetaxel was administered either as a monotherapy or combination therapy with other anti-cancer agents, nintedanib or gemcitabine.

Review of Operations continued

Starpharma continues to undertake business development partnering activities for its DEP® assets. As part of its business review and to clearly prioritise the most significant commercial opportunities for the DEP® assets, Starpharma conducted a comprehensive commercial evaluation of each DEP® clinical asset to determine the best path forward for identifying the ideal partner to maximise the assets' value. This evaluation considered each asset's commercial potential in terms of indication, region, country, and time to market. Following the outcomes of the commercial evaluation, Starpharma's partnering priorities have shifted to focusing on DEP® SN38 and DEP® cabazitaxel, with active business development outreach paused for DEP® docetaxel. Whilst DEP® docetaxel still represents a commercial opportunity, the priority of our internal resourcing is to focus on progressing commercial discussions for DEP® SN38 and DEP® cabazitaxel.

In parallel with business development activities for DEP® SN38 and DEP® cabazitaxel, Starpharma is developing two DEP® radiopharmaceutical candidates, a DEP® HER2-radiodiagnostic and a DEP® HER2-radiotherapeutic. In May 2024, Starpharma announced it is prioritising the development of the DEP® HER2-radiodiagnostic towards a first-in-human clinical study to initiate within the next 12 months and, in parallel, continue the development of a DEP® HER2-radiotherapeutic.

Earlier in the year, Starpharma's DEP® HER2-radiodiagnostic demonstrated a favourable biodistribution profile with excellent imaging contrast between tumour and normal tissues, as well as rapid uptake and high levels of tumour accumulation in a HER2-positive (HER2+) breast cancer model. The application, versatility, and benefits of the DEP® platform for targeted delivery of radiopharmaceuticals were presented at the Society of Nuclear Medicine and Molecular Imaging (SNMMI) Annual Meeting in June 2024, the Targeted Radiopharmaceuticals Summit in Berlin in December 2023, and the AACR-NCI-EORTC Conference in October 2023.

Presentations at international industry conferences are important for demonstrating the advantageous application of dendrimers in drug delivery and raising the profile of Starpharma's DEP® platform within the oncology community. They also present significant opportunities for business development. While in the US for ASCO and in Canada for the SNMMI conference, Starpharma also attended BIO 2024. Attending all three of these conferences proved highly valuable from a partnering perspective, as a high number of meetings with companies from Europe and the US interested in applying dendrimers to their pipeline products, including radiopharmaceuticals, were generated.

Key Focus Area 2: Accelerate Early Asset Development

Starpharma is intensifying its efforts to develop saleable assets and secure collaborations and licensing deals. The company's key objective is to increase the number of assets in early development and enhance the efficiency of our early development activities.

Key activities until the date of this report include:

In April 2024, Starpharma announced a strategic partnership with Medicxi, a leading life sciences investment firm dedicated to financing companies developing innovative medicines, to co-found an asset-centric company called Petalion Therapeutics. Petalion is focusing on developing a novel targeted asset using Starpharma's DEP® dendrimer platform technology.

During the year, Starpharma continued its research collaborations with Genentech and MSD. In these partnerships, Starpharma provides dendrimer chemistry expertise and develops functionalised dendrimers for its partners to test.

Starpharma's in-house preclinical DEP® antibody-drug conjugates (ADCs) program continues with candidate optimisation and further preclinical studies to demonstrate the DEP® platform's benefits in this high-value area.

Starpharma partnered with the University of Queensland's Hub for Advanced Manufacture of Targeted Radiopharmaceuticals (AMTAR Hub) in July 2023 to advance the research and development of Starpharma's targeted DEP® radiopharmaceuticals.

On 31 July 2023, following communication from AstraZeneca on 28 July 2023 and the subsequent release of their H1 and Q2 2023 results announcement that day, Starpharma reported that AstraZeneca had made the decision to discontinue the development of AZD0466 after an internal review prompted by a small number of asymptomatic adverse events that were unrelated to Starpharma's dendrimer drug delivery technology.

Key Focus Area 3: Build Long-Term Sustainability

Starpharma aims to become a self-sustaining organisation by increasing revenues and the value of its intellectual property and managing costs effectively. The company's key focus areas in the short term include growing revenue, improving efficiency, and reducing costs to support our long-term self-sustaining goal. Starpharma has multiple revenue streams with short to medium-term opportunities, including from DEP® asset partnerships and the marketed products VivaGel® BV and VIRALEZE™.

Key activities until the date of this report include:

VivaGel® BV is a non-antibiotic topical gel for the treatment of bacterial vaginosis (BV) and the prevention of recurrent BV. It is registered in over 40 countries, including the UK, Europe, Southeast Asia, South Africa, Australia, and New Zealand.

In June 2024, Starpharma successfully achieved regulatory certification of VivaGel® BV under the new EU Medical Device Regulations (MDR), which recently introduced a range of more stringent requirements to demonstrate medical device safety and performance, including an increased need for clinical evidence. Certification under the EU MDR gives renewed certainty about the status of VivaGel® BV in Europe. It is an important factor for potential commercial partners in this region, as the new regulations introduce significant hurdles that other products that make claims for treatment of BV may not be able to overcome.

In February 2024, Starpharma completed the formal dispute resolution process with the US Food and Drug Administration (FDA) in relation to VivaGel® BV. The FDA maintained that they require additional clinical efficacy data to be generated for the regulatory approval of VivaGel® BV for BV in the US. Starpharma is not planning to pursue further clinical studies for VivaGel® BV on its own at this time. Starpharma remains committed to leveraging the VivaGel® BV development program and is working to maximise the commercial potential for VivaGel® BV in the more than 40 markets where it has already been approved. The decision by the FDA does not alter the approval status in the countries where VivaGel® BV is already registered. Following this outcome, Starpharma and EDW Pharma, formerly ITF Pharma, mutually agreed to exit the license agreement for VivaGel® BV in the US, signed in 2018.

In January 2024, Starpharma partnered with ITROM Pharmaceutical Group for the sales and distribution of VivaGel® BV across 13 countries in the Middle East and North Africa region. ITROM has a strong presence in the region's public and private health sectors, maintaining strong relationships with key opinion leaders, specialist physicians, hospital chains and retail outlets. Since entering this agreement, Starpharma and ITROM have been working closely to transfer relevant VivaGel® BV marketing authorisations from Mundipharma and prepare for launch in the Middle East market. ITROM has achieved registration for VivaGel® BV in Saudi Arabia.

This new partnership with ITROM followed the reversion of VivaGel® BV rights to Starpharma under a settlement agreement with Mundipharma in August 2023. Under the settlement, Starpharma received a one-time A$6.6 million cash payment from Mundipharma in August 2023, and the VivaGel® BV commercial rights reverted to Starpharma.

Starpharma's partner, Aspen, continues to market VivaGel® BV in Australia and New Zealand under the brand name Fleurstat® BVgel.

VIRALEZE™ is a topical antiviral barrier nasal spray for colds and respiratory viruses, including coronaviruses. It is registered in over 35 countries, including Europe, the UK, and Asia. VIRALEZE™ is not approved for use or supply in Australia, where the review by the Therapeutic Goods Administration (TGA) for the SPL7013 nasal spray as a medical device is ongoing. Starpharma has provided the TGA with clinical data from the post-market study that was completed during FY24, and Starpharma is awaiting an outcome from the TGA.

In parallel with seeking marketing authorisation in Australia, Starpharma applied to amend the TGA Poisons Standard to ensure accurate labelling of the nasal spray, should approval be achieved. The TGA announced its final decision in May 2024 in support of Starpharma's application to amend the Standard. This outcome means that if a nasal spray containing astodrimer sodium were approved for sale in Australia, the product could be labelled appropriately for nasal spray applications and sold in pharmacies. This outcome is separate from, and does not influence, the application for marketing authorisation.

Starpharma reported the results of the post-market clinical study of VIRALEZE™ in participants with COVID-19 in January 2024. The results showed that VIRALEZE™ reduced SARS-CoV-2 viral load and increased the rate of virus clearance from the nose, and in parallel, improved key symptoms of COVID-19, including loss of smell. This benefit was statistically significant in all age cohorts 45+ years but was not significant when patients below 40 years of age were included. As seen in a previously announced trial in healthy volunteers, VIRALEZE™ was well-tolerated.

The results from the VIRALEZE™ clinical study provide clinical evidence of the performance of VIRALEZE™ in humans that will support regulatory processes for the transition to the new European Medical Device Regulations (MDR), which will come into full effect in 2029. The data will also support ongoing marketing and commercial activities for the product. Starpharma submitted its application for EU MDR certification in April 2024, which is under review by the Regulator.

Starpharma continues to market VIRALEZE™ online through dedicated product webstores and Amazon UK. Starpharma also has commercial partners in several international markets, where the product is distributed online and in retail outlets, including pharmacies.

Starpharma continues to pursue additional commercial opportunities for its VIRALEZE™ and VivaGel® BV products in line with its strategic priorities.

Starpharma and Okamoto signed a contract extension for the VivaGel® Condom product. This agreement covers Japan and several other Asian markets. Okamoto continues marketing in Japan and regulatory activities in several other Asian markets.

Review of Operations continued

Key Personnel Changes

Cheryl Maley commenced as Starpharma's Chief Executive Officer and Managing Director on 8 January 2024. Upon Cheryl's commencement, Dr Jackie Fairley retired from the position. Dr Fairley was available to provide advisory support to the CEO and Board as needed until June 2024.

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2024 through the date of this report that have significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the consolidated entity's state of affairs in future financial years.

Strategy, Future Developments and Prospects

The company aims to generate value through the development and commercialisation of its patented dendrimer technology for pharmaceutical and healthcare applications. The company's focus is on maximising the value of its DEP® drug delivery platform, accelerating early asset development, and building long-term sustainability. Starpharma intends to achieve this through a combination of internally funded and partnered projects. The company commercialises its development pipeline with corporate partners via licensing and sales and distribution agreements at various stages in a product's development lifecycle; depending on the product, patent opportunity, a partner's commercial strategy and relative strength of product and market expertise, comparison of current and future potential returns.

Starpharma has extensive expertise in developing dendrimers, with clinically validated technology, a strong intellectual property (IP) position, and a portfolio of clinical-stage assets, early-stage research, partnerships, and commercial products. Starpharma's strategy is to extract the highest value from its patented technology, including licensing priority DEP® product candidates, advancing its DEP® radiopharmaceuticals program and partnerships, increasing revenue, further strengthening its IP position, and fostering a high-performance culture.

Proceedings on Behalf of the Company

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*.

Review of Financials

Income statement	30 June 2024 $'000	30 June 2023 $'000
Revenue	**9,756**	4,208
Cost of goods sold	**(632)**	(1,120)
Other income	**–**	135
Research and product development expense (net of R&D tax incentive)	**(10,053)**	(11,239)
Commercial and regulatory operating expense	**(3,664)**	(3,854)
Corporate, administration and finance expense	**(3,572)**	(3,768)
Loss for the period	**(8,165)**	**(15,638)**

Income statement

The reported loss for the year was $8,165,000 (2023: $15,638,000). The loss included nonrecurring revenue of $6,553,000 relating to the commercial settlement and termination of the VivaGel® BV license and supply agreement with Mundipharma in August 2023. The consolidated loss adjusted for the Mundipharma settlement was $14,718,000, a 6% decrease on the prior year loss.

Revenue for the year was $9,756,000 (2023: $4,208,000), comprising $8,289,000 (2023: $2,939,000) for product sales, royalty and license, and research revenue from commercial partners, and interest income on cash invested of $1,467,000 (2023: $1,269,000). Revenue included a nonrecurring $6,553,000 from the Mundipharma commercial settlement. Excluding the Mundipharma settlement, adjusted revenue was $3,203,000, a 24% decrease on prior year revenues, with lower product sales in the current period.

Research and product development expense was $10,053,000 (2023: $11,239,000) and includes the costs of the internal DEP® drug delivery programs, including DEP® SN38, DEP® cabazitaxel, DEP® docetaxel, DEP® ADCs and DEP® radiotheranostics, as well as the post-market clinical study of VIRALEZE™. A contra research and development expense of $5,527,000 (2023: $7,631,000) has been recognised for eligible research and development activities under the Australian Government's R&D Tax Incentive program.

Commercial and regulatory operating expense includes expenditure related to commercialisation of both VivaGel®, VIRALEZE™ and DEP® portfolios, including business development, marketing, regulatory, supply chain and quality assurance activities. The decrease in expense from the prior year reflects cost reduction initiatives implemented, including for employment costs, IT support costs, and ongoing product stability studies.

Corporate, administration and finance expense include corporate costs, gains/losses on foreign currency held, and interest expense on borrowings. The decrease in expense from the prior year reflects cost reduction initiatives implemented, including for insurances.

Balance sheet

At 30 June 2024, the group's cash position was $23,360,000 (June 2023: $35,180,000). Trade and other receivables of $7,151,000 (June 2023: $9,169,000) includes $5,527,000 (June 2023: $7,244,000) receivable from the Australian Government under the R&D tax incentive program. Trade and other payables of $4,013,000 (June 2023: $7,667,000) have decreased primarily due to lower accruals associated with expenditure on research programs.

Statement of cash flows

The net operating cash outflows for the year were $6,977,000 (2023: $14,311,000). The net cash outflows from financing activities were $4,747,000 (2023: $83,000 inflow) and included the repayment of the $4,000,000 Invest Victoria R&D loan.

Earnings Per Share

	2024	2023
Basic/diluted loss per share	**($0.02)**	($0.04)

Risk Management

The group is subject to business risks typical of companies operating in the biotechnology and pharmaceutical sectors at the development and early commercialisation phase. Any investment in these sectors is considered high-risk. Company management has implemented a risk management and internal control system in order to manage the group's material business risks.

The company's risk management system comprises four steps: 1) risk identification, 2) analysis, 3) implementation of mitigation controls and actions, and 4) monitoring and reporting of identified risks.

The Audit and Risk Committee, on behalf of the Board, monitors the risk management system to ensure it is operating effectively and receives reports on material risks. The material and specific risks of the industry sector and the group identified through the company's risk management system include, but are not limited to:

- Scientific, technical and clinical – product development requires a high level of scientific rigour, the outcomes of which cannot be known beforehand. Activities are experimental in nature, so the risk of failure, unexpected outcomes or delay is material. The company is introducing steps to further strengthen the new candidate selection criteria to help further mitigate this inherent risk
- Key development activities, including clinical trials, are undertaken by specialist contract research organisations, and there are risks in designing and completing those activities, including managing the quality and timelines of these activities.
- Regulatory – company products and their testing may not be approved, or may be delayed, amended or withdrawn, by regulatory bodies (e.g. US Food and Drug Administration) whose approvals are necessary before products can be sold in market. Changes in the regulatory environment may also impact product development and commercialisation. Breach of regulations, local or international law, or industry codes of conduct may subject the company to financial penalties and reputational damage.
- Financial – the group currently, and since inception, does not receive sufficient recurrent income to cover operating expenses. Although current cash reserves are sound, there is no certainty that additional capital funding may not be required in the future, and no assurance can be given that such funding will be available if required.
- Intellectual property (IP) – commercial success requires the ability to develop, obtain and maintain commercially valuable patents, trade secrets and confidential information. Securing, defending and maintaining IP across multiple countries and preventing the infringement of the group's exclusive rights involves managing complex legal, scientific and factual issues. The company must also operate without infringing upon the IP of others.
- Product manufacturing and supply – the company is required to manufacture and supply product under certain licensing and distribution agreements, and under highly stringent quality and regulatory requirements. The manufacture of product is undertaken by specialist, regulatory approved, third party contract manufacturing organisations experienced in the sector. There is a risk of quality/failure of manufacture and a risk that supply chain disruptions lead to manufacturing and supply delays/interruptions, which could impact profitability and/or damage relationships with partners. Further, changes in economic circumstances may increase the cost and availability of product, negatively impacting the business.
- Commercialisation – the company predominately relies upon commercial partners to market, distribute and in some cases finalise development and registration of its products on its behalf. There are risks in establishing and maintaining these relationships, and with the manner in which partners execute and deliver on these agreements.
- Product acceptance and competitiveness – a developed product may not be considered by key opinion leaders (e.g. doctors), reimbursement authorities (e.g. Pharmaceutical Benefits Scheme listing) or the end customer to be an effective alternative to products already on market, or other products may be preferred.

- Product liability – a claim or product recall may significantly impact the company. Insurance, at an acceptable cost, may not be available or adequate to cover liability claims or any product recall costs (if any) if a product is found to be unsafe.
- Key personnel – the company's success and achievements against timelines depend on key members of its highly qualified, specialised and experienced management and scientific teams. The ability to retain and attract such personnel is important.
- Grant and R&D incentives – the company may undertake R&D activities part-funded by incentive programs (e.g. R&D tax incentive) and other competitive grants. There is no certainty that grants or incentive programs will continue to be available to the company, and changes in government policy may reduce their applicability.
- Cyber security and data protection – the company recognises the increasing risk associated with cyber security and the potential impact on business operations and has taken steps in recent years to improve controls relating to protection of Company data. Management continues to review processes and controls to ensure the company remains current with the evolving cyber security climate.

In accordance with good business practice in the pharmaceutical industry, the group's management actively and routinely employs a variety of risk management strategies. These are broadly described in the Corporate Governance Statement available at http://www.starpharma.com/corporate_governance.

Health and Safety

The Board, Chief Executive Officer and senior management team of the company are committed to providing and maintaining a safe and healthy working environment for the company's employees and anyone entering its premises or with connections to the company's business operations. Employees are encouraged to actively participate in the management of occupational health and safety (OH&S) issues. The company has adopted an OH&S Policy and has an established OH&S Committee as part of its overall approach to workplace safety. The OH&S Committee provides a forum for management and employees to consult on health and safety matters. The primary role of the OH&S Committee is to coordinate the development and implementation of the OH&S Policy and procedures, to consider any work-related safety matters or incidents, and to ensure compliance with relevant legislation and guidelines. The OH&S Committee includes representatives of management and employees from each operational area generally in proportion to the number of people working in the area and the perceived safety risks associated with working in that area.

The OH&S Committee meets monthly, and updates on OH&S matters are provided at Board meetings.

Environment and Regulation

The group is subject to environmental regulations and other licences in respect of its research and development facilities and there are adequate systems in place to ensure compliance with relevant federal, state and local environmental regulations. The Board is not aware of any breach of applicable environmental regulations by the group. There were no significant changes in laws or regulations during the 2024 financial year or since the end of the year affecting the business activities of the group, and the Board is not aware of any such changes in the near future.

Meetings of Directors

The number of meetings of the company's Board of Directors and of each committee held during the year ended 30 June 2024, and the number of meetings attended by each director are listed in the table below.

Directors	Board	Audit and Risk Committee	Remuneration and Nomination Committee
R B Thomas *Chairman*	8 of 8	3 of 3	3 of 3
C Maley *CEO & Managing Director*[1]	4 of 4	N/A	N/A
J K Fairley *CEO & Managing Director*[2]	4 of 4	N/A	N/A
D J McIntyre[3]	6 of 8	3 of 3	N/A
L Cheng	8 of 8	3 of 3	3 of 3
J R Davies	8 of 8	N/A	3 of 3
R Basser	7 of 8	N/A	2 of 3

"N/A" denotes that the director is not a member of the relevant committee.

1. C Maley was appointed as Chief Executive Officer and Managing Director on 8 January 2024.
2. J K Fairley retired as Chief Executive Officer and Managing Director on 8 January 2024.
3. The two Board meetings that D J McIntyre was unable to attend were due to unforeseen and unavoidable travel delays that prevented him joining the scheduled meetings.

Remuneration Report

The remuneration report for the year ended 30 June 2024 sets out remuneration information for non-executive directors, and KMP executives of the group. The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Non-executive director remuneration policy
4. Executive remuneration policy
5. Executive remuneration outcomes, including link to performance
6. Details of remuneration
7. Executive employment agreements
8. KMP equity holdings
9. Details of equity incentives affecting current and future remuneration

1. Introduction

Remuneration strategy

Starpharma aims to ensure that its remuneration strategy aligns the interests of its executives and employees with those of its shareholders. In framing its remuneration strategy, the Board is conscious that Starpharma only has a small number of employees (~40) so endeavours to keep its remuneration relatively straightforward. Starpharma's staff are required to have specialist knowledge and experience allowing them to develop products over the medium to long term. The fact that Starpharma operates in a global pharmaceutical industry environment also influences its remuneration strategy.

The remuneration structure comprises fixed remuneration, short-term incentives ("STI") in both cash and equity and equity-based long-term incentives ("LTI"). Starpharma's remuneration structure is transparent and based on Key Performance Indicators ("KPIs"), which are designed to align with the interests of shareholders and to reward performance across multi-year timeframes related to product development value-adding milestones. In some cases, the Board may exercise discretion to take account of events and circumstances not envisaged.

The Remuneration and Nominations Committee and Board explicitly considered the FY24 share price underperformance in determining the STI cash bonus and STI deferred equity incentives awarded for FY24, and in setting appropriate remuneration for directors and executives for the forward year.

As a result of a strategic review of the company following the commencement of Ms Cheryl Maley as CEO in January 2024, there are some revisions to the company remuneration strategy, which will come into effect in FY25. The main changes to the remuneration strategy impact performance pay outcomes for all employees of Starpharma. The organisation has reviewed its incentive framework, and this will be enhanced in FY25 to more closely align with shareholder interests. In terms of STI and LTI outcomes, there will be adjustments made to the weighting of KPIs that increase the proportion of at-risk incentives for all staff. Another change to be implemented in FY25 is the methodology used for offering performance rights to staff. Performance rights are an important incentive and retention tool and have been an important element of the company's remuneration framework. For many years, the company has sought to maintain or, at times, increase the face value of the annual offer of performance rights to our staff. To make the offer of performance rights more sustainable for the company, from FY25, the company will take a more measured approach in determining the face value of rights offered to staff, which will lead to a reduction in the face value of rights offered for the LTI program, across all positions in the company.

CEO Transition

Following the announcement of Dr Fairley's intention to retire (ASX announcement dated 9 June 2023), the Board undertook an extensive international search and selection process to recruit a successor to Dr Fairley. Dr Fairley made an outstanding contribution to Starpharma since assuming the role of CEO in 2006, and the Board was determined to ensure a smooth handover to a new CEO and a successful transition period. To this end, and recognising the knowledge and experience of the organisation that would leave with Dr Fairley, the Board implemented some retention measures to help ensure stability during a newly appointed CEO's transition. The Board identified a number of positions in the company that would be crucial to a newly appointed CEO's success and put in place retention measures for those employees. The first measure was a cash-based retention payment, which was offered to 7 employees, totalling $390,000. The cash retention payment is payable in October 2024, 9 months after the start date of the new CEO. The second measure was the offer of performance rights, totalling 315,000 rights granted to 4 employees. These rights vest in June 2025, 17 months after the new CEO commenced. These transition retention arrangements are dependent on continued employment with the company; the Board may exercise discretion to bring forward the payment date and, or, the vesting of rights included in this offer.

Remuneration Report continued

1. Introduction continued

Key management personnel

The remuneration report details the remuneration arrangements for key management personnel ("KMP"), who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the parent.

Following the appointment of Ms Cheryl Maley as CEO and Managing Director in January 2024 a review of the business was undertaken, resulting in a refreshed company strategy. This has led to a change in KMP Executive members, compared to FY23. From January 2024, the Board has assessed the KMP to be the Chair, Non-Executive Directors, CEO & Managing Director, and Chief Financial Officer. These individuals are responsible for planning, directing and controlling the activities of the Group. They participate in all meetings of the Board and its committees and have a central role in developing corporate strategy. Previous KMP positions, VP Business Development and VP Development & Regulatory Affairs, are no longer classified as KMP from January 2024 as their roles cover discrete areas of the Group's operations, rather than the Group itself.

The table below outlines the KMP of the group during the financial year ended 30 June 2024. Profiles for each of the directors and company secretary can be found at the beginning of the Directors' Report.

Non-executive directors	
R B Thomas	Non-executive Chairman
D J McIntyre	Non-executive Director
L Cheng	Non-executive Director
J R Davies	Non-executive Director
R Basser	Non-executive Director
KMP Executives	
C Maley	Chief Executive Officer & Managing Director commenced 8 January 2024
J K Fairley	Chief Executive Officer & Managing Director retired 8 January 2024
J W Cahill	Chief Financial Officer & Company Secretary
J R Paull[1]	VP, Development & Regulatory Affairs
A Eglezos[1]	VP, Business Development

1. For the reasons explained above, J R Paul and A Eglezos are no longer assessed as KMP from January 2024.

2. Remuneration Governance

The Remuneration and Nomination Committee, consisting of at least three independent non-executive directors, advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for non-executive directors, KMP executives and other senior executives. Where required, external remuneration advice may be sought by the Remuneration and Nomination Committee or the Board.

Specifically, the Board approves the remuneration arrangements of the CEO, including awards made under the STI and LTI plans, following recommendations from the Remuneration and Nomination Committee. The Board approves, having regard to recommendations made by the CEO to the Remuneration and Nomination Committee, the level of remuneration, including STI and LTI awards, for executives. The Board also sets the aggregate fee pool for non-executive directors (which is subject to shareholder approval) and non-executive director fee levels.

The company's remuneration structure aims to:

- attract and retain exceptional people to lead and manage the group and to support the internal development of executive talent within the group, recognising that Starpharma is operating in a competitive global pharmaceutical industry environment;
- align KMP and executive remuneration structures to shareholder returns, as executives are set both short-term and long-term performance targets, which are linked to the core activities necessary to build competitive advantages and shareholder value;
- motivate and reward the executive team whilst aligning performance elements/KPIs to the interests of shareholders; and
- create a respectful culture based on performance and innovation through appropriately structured individual assessments.

Information on the Remuneration and Nomination Committee's role, responsibilities and membership is outlined in the charter available at http://www.starpharma.com/corporate_governance.

Benchmarking

Starpharma undertakes extensive salary and remuneration benchmarking each year for executive staff and non-executive positions. Starpharma benchmarks fixed and total remuneration against employment positions of comparable specialisation, size, and responsibility within the industry. Fixed remuneration is supplemented by providing incentives in the form of cash and equity (variable remuneration) to reward performance.

Performance reviews

At the beginning of a performance period all staff have KPIs set specific to their role. At the conclusion of the performance period, a performance review against these KPIs is conducted, and this feeds into the annual salary review process. The performance reviews consider behavioural and cultural aspects of performance, as well as objective planning and professional and personal development. The objective of the salary review is to ensure that all employees are appropriately remunerated based on performance, that remuneration is competitive within the relevant industry sector, and that increases in employees' skills and responsibilities are recognised. As part of the process, each employee's performance is assessed against their pre-agreed individual KPIs and/or business unit performance and corporate KPIs, and this assessment determines, subject to business considerations such as cash availability, if an incentive award is payable and, if so, at what level. During the year, a performance review of all staff took place in accordance with this process.

Use of remuneration consultants

If remuneration consultants are to be engaged to provide remuneration recommendations as defined in section 9B of the *Corporations Act 2001*, they are to be engaged by and report directly to the Remuneration and Nomination Committee. No remuneration consultants were engaged to provide such remuneration services during the financial year.

As part of the group's commitment to continuous improvement, the Remuneration and Nomination Committee and the Board consider comments made by shareholders and proxy advisers on remuneration-related issues. Members of the Remuneration and Nomination Committee routinely engage with proxy advisers to discuss a range of governance and remuneration matters.

Trading in company securities

The trading of shares issued to participants under any of the company's employee equity plans is governed by the company's securities dealing policy. All employees and directors are prohibited from entering into any hedging arrangements over unvested securities and from margin lending on Starpharma securities. Further information regarding the company's dealing in securities policy is set out in the Corporate Governance Statement, and the policy is available at http://www.starpharma.com/corporate_governance.

Clawback of remuneration

In the reasonable opinion of the Board, if a KMP executive has acted fraudulently or dishonestly, the Board may determine that any equity right (including an exercisable, vested right) should lapse.

3. Non-executive Director Remuneration Policy

Determination of fees and the maximum aggregate fee pool

The Board seeks to set non-executive directors' fees at a level which provides the group with the ability to attract and retain non-executive directors of the highest calibre with relevant professional expertise. The fees also reflect the demands which are made on, and the responsibilities of, the non-executive directors, whilst incurring a cost which is acceptable to shareholders.

Non-executive directors' fees and the aggregate fee pool are reviewed annually by the Remuneration and Nomination Committee against fees paid to non-executive directors in a group of comparable peer companies within the pharma/biotechnology sector and relevant companies in the broader ASX-listed market. The Chairman's fees are determined by the Remuneration and Nomination Committee independently of the fees of non-executive directors based on the same role, again using benchmarking data from comparable companies in the biotechnology sector. The Board is ultimately responsible for approving any changes to non-executive director fees upon consideration of recommendations put forward by the Remuneration and Nomination Committee.

The company's constitution and the ASX listing rules specify that the non-executive directors' maximum aggregate fee pool shall be determined from time to time by a general meeting of shareholders. The latest determination was at the AGM held on 20 November 2014, when shareholders approved an aggregate fee pool of $550,000. The Board will not seek any increase in the non-executive directors' maximum fee pool at the 2024 AGM.

Fee policy

Non-executive directors' fees consist of base fees and committee fees. The payment of committee fees recognises the additional time, responsibility and commitment required by non-executive directors who serve on board committees. The Chairman of the Board is a member of all committees but does not receive any committee fees in addition to the base fee.

Non-executive directors did not receive bonuses or forms of equity securities, or any performance-related remuneration during the financial year. Statutory superannuation contributions are required under the Australian superannuation guarantee legislation to be paid on any fees paid to Australian directors. There are no retirement allowances paid to non-executive directors. The non-executive directors' fees reported below include any statutory superannuation contributions.

Fees paid in FY24

The aggregate amount paid to non-executive directors for the year ended 30 June 2024 was $462,606 (2023: $436,119). The details of remuneration for each non-executive director for the years ended 30 June 2024 and 30 June 2023 are outlined in the tables in section 6.

From 1 July 2024, non-executive director fees will be subject to a modest increase of 2.5%, inclusive of a 0.5% increase in the compulsory superannuation contribution, as set out below.

Annual non-executive directors' fees		Proposed fees from 1 July 2024 $	Actual fees to 30 June 2024 $
Board fees			
Chair (no additional fees for serving on Board committees)		140,372	136,948
Base fee for other non-executive directors		73,328	71,540
Committee fees			
Audit and Risk Committee	Chair	11,500	11,500
	Member	5,500	5,500
Remuneration and Nomination Committee	Chair	11,500	11,500
	Member	5,500	5,500

4. Executive Remuneration Policy

(a) Approach to setting and reviewing remuneration

The group aims to reward executives with a level and mix of remuneration appropriate to their position, skills, experience, and responsibilities whilst being market competitive and enabling the company to retain staff and, at the same time, structuring awards which conserve cash reserves.

The Remuneration and Nomination Committee, together with the Board, actively reviews the group's remuneration structure and benchmarks the overall package and proportion of fixed remuneration, short-term incentives and long-term incentives against relevant industry comparators to ensure the policy objectives are met and are in line with good corporate practice for Starpharma's size, industry and stage of development. Remuneration levels are considered annually through the remuneration review, which considers industry benchmarks and the performance of the group and the individual.

Starpharma undertakes remuneration benchmarking each year with reference to multiple industry peers, together with, where appropriate, other benchmarking reports which apply to specific positions. A group of peer companies from within the pharma/biotechnology sector are included in the benchmarking exercise. In the benchmarking conducted for FY24, the peer companies included Bionomics, Clarity Pharmaceuticals, Clinuvel, Immutep, Impedimed, Imugene, Incannex Heatlhcare, Mayne Pharma, Medical Developments International, Mesoblast, Monash IVF, Nanosonics, Neuren, Opthea, Paradigm Biopharmaceuticals, Polynovo, Race Oncology, Rhythm Biosciences, Syntara, Telix, and 4DMedical. Starpharma typically reviews and develops this benchmark list of peer companies annually to add and remove companies based on their current operations, size, market capitalisation, and the complexity of their business. For some executive roles it may be necessary to add or modify the composition of the peer group to ensure comparable roles are benchmarked.

In reviewing the benchmarking data and determining the level of CEO pay, the Board considers the experience and calibre of its CEO in comparison to Starpharma's industry peers, ensuring that remuneration is commensurate with talent, skills and experience. There are no guaranteed base pay increases or bonuses in any executive contracts.

FY24 included a transition of CEO's, with Dr Jackie Fairley retiring as CEO & Managing Director on 8 January 2024 and Ms Cheryl Maley commencing on the same date. As a result of the transition, the outgoing and incoming CEO performance pay will be assessed on a pro-rata basis. Ms Cheryl Maley has a maximum STI cash opportunity of $70,000 (as per the ASX announcement dated 10 November 2023) for FY24. Retiring CEO Dr. Fairley had a maximum STI cash opportunity of $275,855 (as disclosed in the Notice of Meeting for the November 2023 AGM), this opportunity was based on a full 12 months of executive service. Other executives do not have a pre-specified maximum cash bonus entitlement; however, bonuses are awarded from a target shared pool for executives as a percentage of total fixed remuneration, based on personal and business unit KPIs and subject to cash availability. For FY25, as part of updates to the remuneration strategy, executives will have pre-specified maximum cash bonus. This will be aligned to both company and individual performance objectives. Any bonus award is at risk and subject to performance. The Remuneration and Nomination Committee considers that this approach provides flexibility in rewarding superior executive performance and is appropriate for the size of the company at this time, enabling it to manage its cash reserves as required. For FY24, the STI target cash bonus pool for executives other than the CEO was 24% of fixed remuneration to align with the strategy to balance the STI 'at risk' portions of remuneration for other executives between cash and equity.

4. Executive Remuneration Policy continued

(b) Remuneration principles and strategy

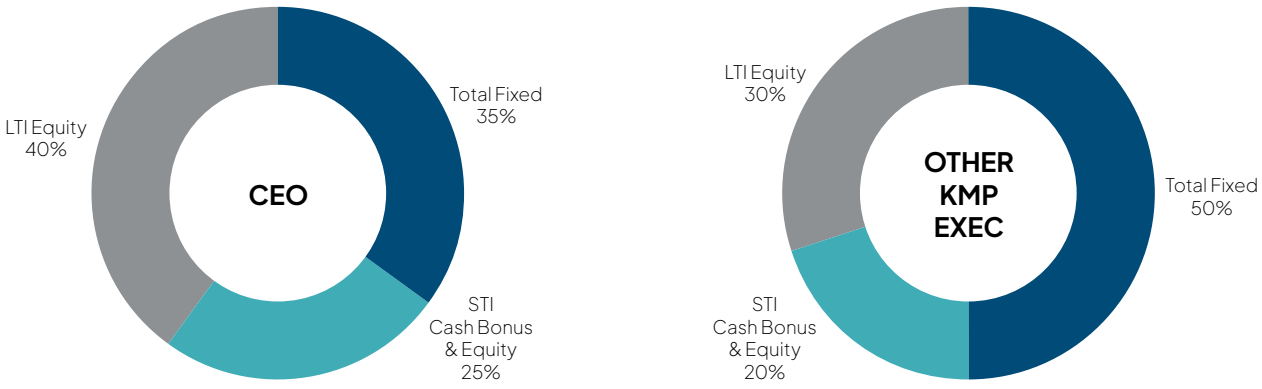
The group's executive remuneration strategy is designed to attract, motivate and retain high-performing individuals and align the interests of executives with shareholders, recognising it is operating in the international pharmaceutical industry, and is summarised below.

Remuneration strategy linkages to group objectives	
Align the interests of executives with shareholders: • The remuneration framework incorporates "at risk" components, which are determined by performance, through STI and LTI. • Performance is assessed against a suite of measures relevant to the success of the group and generating growth and returns for shareholders.	Attract, motivate and retain high performing individuals: • The remuneration offering is competitive for companies of similar size and complexity within the industry through benchmarking. • The mix of short and longer-term remuneration encourages retention and performance across multiple years as appropriate for the lifecycle of the group.

Component	Vehicle	Purpose	Link to performance
Fixed remuneration	Base salary, superannuation contributions and other benefits (breakdown of fixed remuneration is at the executive's discretion).	To provide competitive fixed remuneration set with reference to the role, market and experience.	Group and individual performance are considered during the annual remuneration review.
Short-term incentives (STI) (Performance period of less than 3 years)	**Cash and equity** The equity instrument is currently performance rights, which is based on a performance assessment, with a 1-year performance period and deferred vesting of a further one year, subject to continued employment.	Rewards executives for their contribution to achievement of business outcomes. Deferred equity acts as a retention tool and aligns with interests of shareholders.	Allocation of cash bonuses and vesting of equity linked to internal KPIs, both business unit and corporate, over the medium term, which are important drivers of value and typical within the biotechnology industry. For example, achievement of specified development, clinical, regulatory and commercial milestones.
Long-term incentives (LTI) (Performance period of 3 years or more)	**Equity** The equity instrument is currently performance rights with a 3-year performance period.	Rewards executives for their contribution to the creation of shareholder value over the longer term, acts as a retention tool and aligns with interests of shareholders.	Vesting of grants are dependent on internal measures, both business unit and corporate over the longer term; and total shareholder return (TSR) relative to the S&P/ASX300 Index.

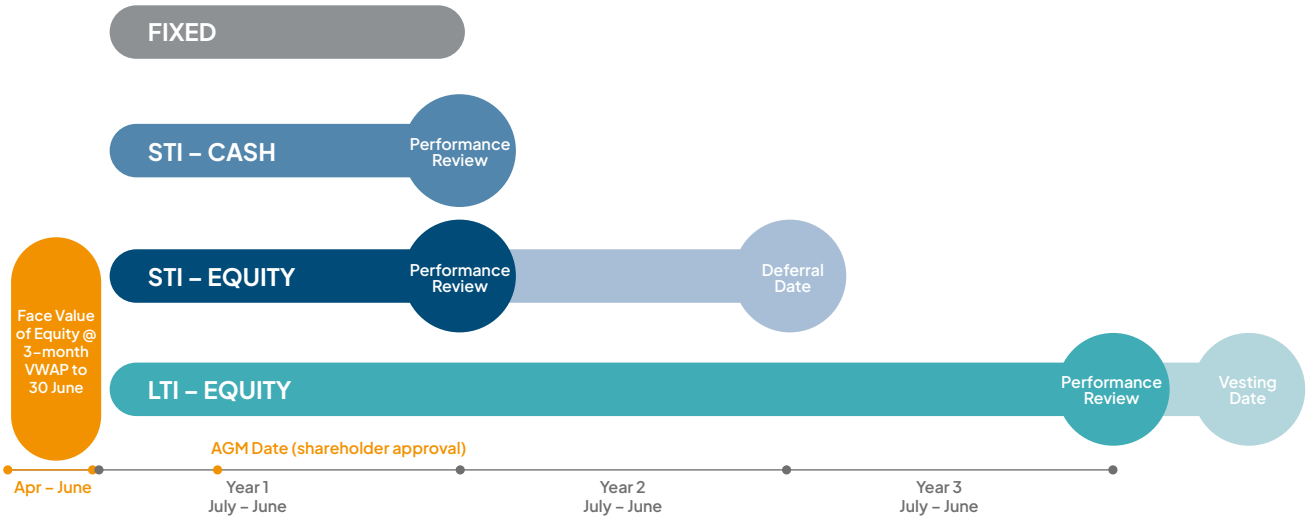
The target remuneration mix is outlined in the diagrams below.

Target Remuneration Mix



The STI and LTI components of remuneration are variable and are linked to pre-determined performance conditions, such as KPIs, that are designed to reward executives based on the company's performance, the performance of the relevant business unit and demonstrated individual superior performance. The details are outlined in Section 5 of this report.

To achieve the target remuneration mix, the below performance pay structure was applied in FY24 and is consistent with the prior year.



(c) Details of executive equity incentive plans

Short-Term Incentives (STI) – includes cash bonus and short-term equity

The group operates an annual STI program available to executives comprised of cash and equity incentives. The STI is 'at risk' remuneration and subject to achieving clearly defined KPIs.

Who participates?	Executives, comprising the CEO, Other KMP executives, and non-KMP executives.
How are STIs delivered?	Cash bonus and performance rights are both based on a 1-year performance period, with the performance rights conditional upon a deferred vesting date of a further one year, subject to continued employment. Providing some rights that vest in the short term allows the company to preserve cash by offering equity as a short-term incentive in addition to smaller cash bonuses. This is common practice for companies at a similar stage of their lifecycle. During FY24, the CEO and executives were awarded STI equity with a 1-year performance period (1 July 2023 to 30 June 2024), with a deferred vesting date of 30 June 2025 dependent on continued employment to the vesting date.
What is the STI opportunity?	The CEO Cash STI opportunity for FY24 for Ms Maley was an amount of up to $70,000, representing 25% of her Total Fixed Remuneration, on a full year basis. The award of STI for FY24 has been made on a pro-rata basis based on the achievement of Board approved KPIs. KMP executives were awarded STI equity for the 1 July 2023 to 30 June 2024 performance period based on the achievement of their pre-determined KPIs.

4. Executive Remuneration Policy continued

(c) Details of executive equity incentive plans continued

Starpharma Short-Term Incentives (STI) – includes cash bonus and short-term equity continued

What are the STI performance conditions for FY24?

Actual STI payments awarded to each executive depend on the extent to which they meet specific KPIs set at the beginning of the period. The KPIs are typical of a biotechnology company at Starpharma's stage of development and may include corporate KPIs and business unit KPIs relating to strategic and operational objectives. Details of the corporate KPIs for performance, which were assessed during FY24, are explained in section 5 of the remuneration report. Given the company's stage of development, financial metrics (such as earnings per share) are not entirely relevant in linking pay to performance.

The proportion of performance measures applicable in determining STI awards for the CEO and other executives are noted in the table below:

	Corporate KPIs	Business units KPIs
STI cash bonus	CEO 100%	Other executives 100%
STI performance rights	CEO 100%	
	Other executives 30%	Other executives 70%

Details regarding LTI performance conditions are contained on page 44.

How is performance assessed?

For the CEO, at the end of each performance period (typically annually), after consideration of actual performance against KPIs, the Remuneration and Nomination Committee recommends for Board approval of the amount of STI to be paid from the maximum entitlement.

For executives other than the CEO, the Remuneration and Nomination Committee seeks recommendations from the CEO and then makes recommendations to the Board.

When is performance assessed and when are awards paid or vested?

The performance period aligns with the financial year. Performance is assessed following the end of the financial year to allow for timely disclosure of performance-related awards in the annual remuneration report. This is usually within two months of the end of the financial year.

The STI cash component is paid approximately three months following the end of the financial year and once the performance assessment review is complete.

For STI equity, a proportion of rights, based on the performance assessment, will be available (deferred) to vest on 30 June of the following year, subject to continued employment at that date. Any rights forfeited based on the performance assessment will be forfeited within the first three months of the new financial year following the performance assessment.

Once performance rights have vested, executives can elect to convert vested rights into shares during prescribed exercise windows throughout future periods. The Performance Rights Plan was updated at the November 2023 AGM, so the maximum period for exercising vested rights is now 5 years from the grant date.

Is performance against KPIs disclosed?

Whilst the company's policy is not to disclose commercially sensitive information, consistent with best practice disclosure obligations, it will retrospectively disclose the achievement of corporate KPIs to the extent commercially practicable.

Specific metrics are applied to each KPI to assist in the assessment undertaken for each performance period. In some cases, the Board may exercise discretion to take account of events and circumstances not envisaged when a KPI was set.

Contractual entitlement?

Only the CEO has an STI cash bonus entitlement, whereby the maximum amount achievable is set. There is no predetermined STI equity entitlement. No other executive service agreements contain any contractual entitlement to STI cash or equity.

What happens if an executive leaves?	If an employee ceases employment, all unvested rights lapse. For a 'good leaver', the Board, at its discretion, may pro-rata the vesting of performance rights up to the date the employment agreement ends. In certain circumstances, the Board may determine the accelerated vesting of rights if the employee ceases employment due to death, illness, permanent disability, redundancy, or any other exceptional circumstance approved by the Board. The Board determination is after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met.
What happens on a change of control?	Board discretion, after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met.
What happens in the case of fraud/dishonesty?	If, in the opinion of the Board, an employee has acted fraudulently or dishonestly, the Board may determine that any unvested right granted to that employee, or any vested right, not exercised, would lapse.
Re-testing	There is no re-testing of KPIs in subsequent years if performance conditions are not met.
How is the conversion of performance rights to shares satisfied?	The conversion of performance rights is currently satisfied by the issue of new shares, rather than a purchase of shares on market, to conserve the company's cash reserves. This is common practice for companies at a similar stage of their lifecycle. This is reviewed periodically, and purchases of shares on market may be undertaken in the future if appropriate.
Are performance rights eligible for dividends?	Performance rights – whether unvested or vested and not exercised, are not eligible to receive dividends.

Long-Term Incentives (LTI) – Equity

Participation in these plans is at the Board's discretion. For key appointments, an initial allocation of long-term equity incentives may be offered as a component of the initial employment agreement. The LTI is 'at-risk' remuneration and subject to achieving the relevant KPIs.

Who participates?	Executives, comprising the CEO, Other KMP executives, and non-KMP executives.
How are LTIs delivered?	Performance rights with a performance/vesting period of 3 years or more. The LTI performance rights awarded during FY24 have 3-year performance periods for all executives.
What is the LTI opportunity?	The CEO's LTI opportunity for FY24 was 40% of total remuneration. For Other KMP executives, the LTI opportunity for FY24 was 30% of total remuneration.
What are the LTI performance conditions for the performance period to 30 June 2024?	Corporate KPIs reflect long-term (3-year) strategic, operational and financial management objectives. These relate to key value creating events and significant milestones that are linked to Starpharma's business areas. For the 3-year performance period to 30 June 2024, these were: • the monetisation of the VIRALEZE™, VivaGel® and DEP® drug delivery portfolios represented by the generation of revenue, or value from assets sales(s), through the completion of a number of commercial deals that build shareholder value; and • optimisation of returns from VIRALEZE™ and VivaGel® revenue, development of new DEP® candidates, completion of specified DEP® clinical trials, and/or the licensing (and/or asset sales) of DEP® candidates. Due to the commercially sensitive nature of the specific performance metrics within these KPIs, Starpharma will retrospectively disclose the achievement of corporate KPIs to the extent commercially practicable in the Annual Report. In maintaining the link between executive remuneration outcomes and the returns to shareholders, relative total shareholder return (TSR) is considered a relevant performance condition with respect to LTIs. The relative TSR hurdle reflects Starpharma's TSR compared to the S&P/ASX300 Accumulation Index (Index) and includes share price growth and any dividends and capital returns. The Board has chosen this Index for the TSR comparator group as it provides an external, market-based performance measure to which the company's performance can be compared in relative terms. The Index is considered appropriate as it provides a comparison of shareholder returns that is relevant to investors and reflects the aspiration of the company.

4. Executive Remuneration Policy continued

(c) Details of executive equity incentive plans continued

Starpharma Long-Term Incentives (LTI) – Equity continued

What are the LTI performance conditions for the performance period to 30 June 2024? continued

The Board considers that the Index is a more appropriate comparator than a customised group of peer companies due to the inherent volatility of each of these companies, typical within the biotechnology industry. In the past, the performance of Starpharma's industry peers has been particularly volatile, with a number of companies experiencing significant decreases in market capitalisation, and a number going through some type of corporate activity (e.g. takeovers) or are no longer ASX listed. Given that the relative TSR is measured over a 3-year period, the Index is favoured as a more stable and appropriate comparator. The published S&P/ASX 200 Healthcare Index was also considered as a possible comparator, however, it was determined to be inappropriate given its concentrated composition, including CSL Limited and other large service oriented companies, such as private hospitals. Each year, the Remuneration and Nomination Committee and the Board review the suitability of the Index as a comparator.

To achieve the full relative TSR performance condition, Starpharma's TSR must achieve 10% per annum (or 30% over 3 years) above the Index, which is considered a realistic stretch target.

The table below sets out the percentage of performance rights that will vest depending on the company's TSR compared to the Index over the relevant period.

Annualised Starpharma TSR compared with the Index	Percentage of rights subject to the relative TSR performance condition which vest
Below Index	0%
Equal to Index	50%
Between Index and Index + 9.99%	Pro rata basis from 51% to 99%
At least 10% per annum above Index (or ≥ 30% over 3 years)	100%

For example, if the TSR of the Index is 10% per annum, then Starpharma would need to achieve a TSR of 20% per annum or more for all of the relative TSR-related performance rights to vest. The above hurdle recognises the return that investors expect when investing in the biotechnology sector. The Board considers an additional return of 10% per annum (or 30% over 3 years) above the Index to be a realistic stretch target for all relative TSR rights to vest.

The performance measures applicable in determining LTI awards for the CEO and other executives and the relative proportions are noted in the table below.

	Corporate KPIs	TSR	Business unit KPIs
CEO	70%	30%	N/A
Other executives	15%	15%	70%

For FY24, the Board considered 30% and 15% of LTI equity as the appropriate portion for relative TSR for the CEO and other executives, respectively. In determining the percentages for FY24, the Board considered input from investors and proxy advisers to arrive at a level that was considered meaningful as a measure of performance, and sufficient to be relevant. Following a review of the performance pay framework in FY24, the Board will increase the proportion of incentives allocated to TSR in FY25 to further strengthen the alignment between executive performance pay and shareholder returns.

The relative TSR performance measure does not allow for a portion of the award to vest at below median performance, which is consistent with good market practice. Additionally, the Board maintains absolute discretion in finalising remuneration outcomes for incentive-based awards to the CEO and other executives. The Board may exercise its discretion (either up or down) to take into account the impacts of external market conditions outside the control of management. The Board is cognisant of ensuring fairness and that any exercise of discretion reinforces Starpharma's strategy and remuneration policy. Accordingly, in the event that the Index has performed particularly poorly, the Board may exercise its discretion to prevent excessive executive awards in years of poor shareholder returns.

How is performance assessed?	At the end of each performance period, after consideration of actual performance against KPIs, the Remuneration and Nomination Committee recommends the amount of LTIs to vest to the CEO for approval by the Board. For executives other than the CEO, the Remuneration and Nomination Committee seeks recommendations from the CEO and then makes recommendations to the Board. Relative TSR is calculated independently by a professional services firm with specialist expertise.
When is performance assessed and when are awards paid or vest?	The performance period aligns with the financial year. Performance is assessed following the end of the financial year to allow for the timely disclosure of performance-related awards in the annual remuneration report. This is usually within two months of the end of the financial year. For LTI equity, the rights will vest on 30 September following the performance assessment. Once vested, executives can elect to convert vested rights into shares during prescribed exercise windows throughout future periods. Following changes to the company Performance Rights Plan at the 2023 AGM, the maximum period for the exercise of vested rights is now 5 years from the grant date.
Is performance against KPIs disclosed?	Same as for STI.
Contractual entitlement?	There are no predetermined LTI equity entitlements.
What happens if an executive leaves?	Same as for STI.
What happens on a change of control?	Same as for STI.
What happens in the case of fraud/dishonesty?	Same as for STI.
Re-testing	Same as for STI.
How is the conversion of performance rights to shares satisfied?	Same as for STI.
Are performance rights eligible for dividends?	Same as for STI.

4. Executive Remuneration Policy continued

(d) Grant of equity incentives to KMP executives in FY24

In FY24, the Board determined the number of rights granted for STI and LTI equity based on the face value of rights (see below) and the target remuneration mix as set out on page 34.

Starpharma uses and reports face value for determining the allocation of equity as it provides transparency on the value of the allocations compared with fair value. This practice reflects the increasingly accepted view by industry that presenting remuneration equity at face value provides a more accurate representation of the true value of that equity and for users to understand the value of these awards.

The face value of each right is based on the volume weighted average price ("VWAP") of the company's shares traded on the ASX over the 3-month period to the beginning of the performance period. The 3-month period has been determined to be the appropriate duration for the calculation of the VWAP as it limits any unintended consequences of short-term volatility in the company's share price and is consistent with the duration used in the calculation of TSR for the relative TSR performance condition.

The below table summarises the equity incentives granted to KMP executives in FY24:

KMP executive	STI/LTI Equity	Performance period	Performance condition	Vesting date	Number of rights granted	Face value of rights granted[1]	Fair value of rights granted[2,3]
C Maley	STI equity	8 Jan 2024 – 30 Jun 2024	Corporate KPIs	30 Jun 2025	398,725	$58,134	$61,802
	LTI equity	8 Jan 2024 – 30 Jun 2026	Corporate KPIs	30 Sep 2026	1,315,792	$191,842	$203,948
	LTI equity	8 Jan 2024 – 30 Jun 2026	TSR	30 Sep 2026	563,911	$82,218	$64,063
J K Fairley	STI equity	1 Jul 2023 – 8 Jan 2024	Corporate KPIs	30 Jun 2025	667,441	$246,820	$90,105
J W Cahill	STI equity	5 Sep 2023 – 30 Jun 2025	Business unit and corporate KPIs	30 Jun 2025	50,000	$10,680	$7,000
	STI equity	1 Jul 2023 – 30 Jun 2024	Business unit and corporate KPIs	30 Jun 2025	139,750	$51,680	$19,565
	LTI equity	1 Jul 2023 – 30 Jun 2026	Business unit and corporate KPIs	30 Sep 2026	475,150	$175,710	$66,521
	LTI equity	1 Jul 2023 – 30 Jun 2026	TSR	30 Sep 2026	83,850	$31,008	$6,742
J R Paull	STI equity	5 Sep 2023 – 30 Jun 2025	Business unit and corporate KPIs	30 Jun 2025	120,000	$25,632	$16,800
	STI equity	1 Jul 2023 – 30 Jun 2024	Business unit and corporate KPIs	30 Jun 2025	139,750	$51,680	$19,565
	LTI equity	1 Jul 2023 – 30 Jun 2026	Business unit and corporate KPIs	30 Sep 2026	475,150	$175,710	$66,521
	LTI equity	1 Jul 2023 – 30 Jun 2026	TSR	30 Sep 2026	83,850	$31,008	$6,742
A Eglezos	STI equity	5 Sep 2023 – 30 Jun 2025	Business unit and corporate KPIs	30 Jun 2025	120,000	$25,632	$16,800
	STI equity	1 Jul 2023 – 30 Jun 2024	Business unit and corporate KPIs	30 Jun 2025	139,750	$51,680	$19,565
	LTI equity	1 Jul 2023 – 30 Jun 2026	Business unit and corporate KPIs	30 Sep 2026	475,150	$175,710	$66,521
	LTI equity	1 Jul 2023 – 30 Jun 2026	TSR	30 Sep 2026	83,850	$31,008	$6,742

1. Based on 3-month VWAP to the beginning of the performance period.
2. The grant date to calculate the fair value of the award under AASB2 is the AGM date when shareholders approved the grant of the rights.
3. The grant date to calculate the fair value of the award under AASB2 is the date when the performance rights were granted.

5. KMP Executive Remuneration Outcomes, Including Link to Performance

Given the company's stage of development, financial metrics (such as profitability) are not necessarily an appropriate measure of executive performance. The company's remuneration policy aligns executive rewards with the interests of shareholders. The primary focus is on growth in shareholder value through the achievement of development, regulatory and commercial milestones, and therefore performance goals are not necessarily linked to typical financial performance measures utilised by companies operating in other market segments. However, the Board recognises that share price performance is clearly relevant to the extent that it reflects shareholder returns, and as such, Starpharma's TSR relative to the S&P/ASX300 Index is used as a relevant metric for portions of executive equity awards. Details of share price, earnings and the impact of share price performance on the vesting of certain performance rights over the last 5 years are detailed in the table below. No dividends have been paid in the last 5 years.

	FY24	FY23	FY22	FY21	FY20
Closing share price 30 June	**$0.10**	$0.31	$0.74	$1.50	$1.13
Share price high	**$0.43**	$0.85	$1.55	$2.52	$1.43
Share price low	**$0.09**	$0.27	$0.62	$1.02	$0.62
Profit/(Loss) for the year ($M)	**(8.2)**	(15.6)	(16.2)	(19.7)	(14.7)
Number of performance rights forfeited by CEO based on share price performance for the period ending 30 June (or otherwise in the FY)	**118,406**	191,152	161,039	22,293	–
% of performance rights forfeited by CEO based on share price performance (as a percentage of total performance rights) for the period ending 30 June (or otherwise in the FY)	**15%**	22%	25%	3%	0%

Fixed remuneration

The increases in the total fixed remuneration package for individual KMP executives were between 2% and 5% for the year.

Performance-related pay

In the assessment of STI and LTI KPIs for the performance period ended 30 June 2024, the Board took into account the significant achievements obtained in the performance periods and the effort and dedication required to accomplish these milestones. The percentages of STI and LTI award for Dr Fairley and Ms Maley are different due to the transitional nature of the roles, the difference in remuneration package for Ms Maley, and the emphasis the Board placed on achievement of certain objectives noted on page 42. These achievements include those listed on pages 43 and 45. The summaries of STI and LTI awards in the sections below exclude J R Paull and A Eglezos, who are no longer classified as KMP from January 2024.

Short-term incentives (STI)

Summary of STI performance pay related to FY24:

STI cash awarded

	Performance period	Performance condition	Maximum cash bonus available	Cash bonus awarded	% awarded
C Maley[1]	8 Jan 2024 – 30 Jun 2024	KPIs	$70,000	$56,000	80%
J K Fairley	1 Jul 2023 – 8 Jan 2024	KPIs	$183,995[2]	$103,037	56%
J W Cahill[3]	1 Jul 2023 – 30 Jun 2024	KPIs	N/A[4]	$67,000	N/A[4]

1. C Maley also received a $45,000 sign-on cash bonus in FY24.
2. J K Fairley retired as CEO on 8 January 2024. Her maximum cash bonus available to be awarded was prorated for FY24, based on period of service.
3. In addition to the performance-based cash bonus of $67,000, J Cahill is eligible for a cash-based retention payment of $50,000, payable in October 2024, on the condition of continued employment.
4. Executives other than the CEO do not have a pre-specified maximum cash bonus entitlement for FY24; however, bonuses are awarded from a target shared pool for executives. A maximum cash bonus is applicable for all executives for FY25.

5. KMP Executive Remuneration Outcomes, Including Link to Performance continued

Short-term incentives (STI) continued

STI equity awarded	Performance period	Performance condition	Maximum STI rights available	STI rights awarded	% awarded
C Maley	8 Jan 2024 – 30 Jun 2024	KPIs	398,725	318,980	80%
J K Fairley	1 Jul 2023 – 8 Jan 2024	KPIs	762,789[1]	427,162	56%
J W Cahill	1 Jul 2023 – 30 Jun 2024	KPIs	139,750	112,583	81%

1. J K Fairley retired as CEO on 8 January 2024. Her maximum STI rights available to be awarded was prorated based on period of service.

The Remuneration and Nomination Committee and the Board determined the above STI performance assessment for the performance period 1 July 2023 to 30 June 2024, based on the annual review of actual performance against predetermined corporate and business unit KPIs. These targets were set by the Remuneration and Nomination Committee and the Board at the beginning of the performance period and align with the company's strategic, operational and financial objectives. STI equity awards for the CEO in FY24 were based on the assessed scorecard measures and weightings as disclosed below.

STI performance assessment		Performance period 1 July 2023 to 30 June 2024
Performance category	**Metric**	**Weighting**
Development, registration and commercialisation of VIRALEZE™	Continue commercial roll-out of VIRALEZE™ and further development activities to support regulatory and marketing activities and sales, including completing the post-market study.	9%
Regulatory and commercialisation activities for VivaGel® BV	Secure distribution rights from Mundipharma, sign distribution agreements for new and existing markets, and optimise returns.	11%
Development and commercialisation of internal DEP® assets	Progress internal clinical DEP® programs through Phase II clinical development (or sign a licence, as appropriate) with a focus on expediting outcomes and building value, which may be through additional indications and/or combinations. Identify and advance additional internal DEP® product candidates through preclinical development. Secure new DEP® partnered programs and support and further develop existing partnered DEP® programs and/or expanded field/products and/or progress with new partnering deals/licences.	41%
Strategy Review, Capital management, culture and leadership	Undertake a forensic review of Company Strategy and update strategic direction of the organisation. Manage the company's finances in a prudent manner to create value, increase recurrent revenues, maintain and enhance the reputation for corporate responsibility and effectively manage organisational culture and people to achieve superior performance.	39%
		100%

In making this STI assessment, the Remuneration and Nomination Committee and the Board considered the following factors, with other commercially sensitive matters also taken into account.

- VIRALEZE™ regulatory and commercial activities, including:
  - Completed the post-market clinical study of VIRALEZE™ in COVID-19-positive patients in November 2023, generating valuable clinical data to support the requirements for the transition to the new European Medical Device Regulations (EU MDR), which will come into full effect in 2029, as well as ongoing marketing efforts.
  - Advanced the application process for marketing authorisation in Australia.
  - Continued to market VIRALEZE™ online through dedicated product webstores and Amazon UK in regions where the product has already achieved registration.
- VivaGel® BV regulatory and commercial activities, including:
  - Successfully achieved regulatory certification of VivaGel® BV under the new EU MDR in June 2024. Certification under the EU MDR gives renewed certainty about the status of VivaGel® BV in Europe and is an important factor for potential commercial partners in this region.
  - Successfully negotiated an exit from the VivaGel® BV license with Mundipharma. Under the settlement agreement, Starpharma regained commercial distribution rights to Mundipharma's licensed territories and received a one-time cash payment of $6.6M AUD from Mundipharma.
  - Secured a sales and distribution agreement for the Middle East and North Africa Region with ITROM Pharmaceutical Group, following the reversion of distribution rights from Mundipharma.
  - Outcome of the VivaGel® BV formal dispute resolution process with the US Food and Drug Administration (FDA).
- Internal clinical-stage DEP® assets, including:
  - Completed all three Phase II DEP® clinical programs, generating clinical validation of Starpharma's DEP® technology in drug delivery and cancer treatment.
  - Reported the final results from the DEP® SN38 (DEP® irinotecan) clinical program in May 2024. These clinical results were presented as an oral presentation at the highly competitive and world-renowned American Society of Clinical Oncology (ASCO) Annual Meeting in June 2024. Earlier, in September 2023, interim data from the DEP® SN38 clinical study were presented at the International Conference on Molecular Targets and Cancer Therapeutics, co-hosted by the American Association of Cancer Research (AACR), National Cancer Institute (NCI) and European Organisation for Research and Treatment of Cancer (EORTC).
  - Reported the final results from the Phase II DEP® cabazitaxel study in October 2023. These results were presented in an oral presentation at the ASCO Annual Meeting in June 2024. Data on the efficacy of DEP® cabazitaxel in gastro-oesophageal cancers were also presented at the ASCO Gastrointestinal Cancers Symposium in January 2024.
  - Reported the final results from the DEP® docetaxel clinical program, which involved monotherapy and combination therapy arms, in December 2023.
- Develop the preclinical DEP® pipeline:
  - Progressed internal DEP® development candidates, including DEP® radiopharmaceuticals and DEP® antibody-drug conjugates (ADCs), through preclinical research.
  - Reported the results of a preclinical study showing the benefits of Starpharma's DEP® technology in radiodiagnostics for cancer imaging applications in July 2023, and in May 2024, announced plans to advance the radiodiagnostic candidate towards a first-in-human clinical study.
  - Delivered presentations on the advantages of Starpharma's dendrimer technology in radiopharmaceuticals at multiple international industry conferences, including the AACR-NCI-EORTC International Conference of Molecular Targets and Cancer Therapeutics in October 2023, the Targeted Radiopharmaceuticals Summit in Berlin in December 2023, and the Society of Nuclear Medicine and Molecular Imaging (SNMMI) Annual Meeting in June 2024.

5. KMP Executive Remuneration Outcomes, Including Link to Performance continued

Short-term incentives (STI) continued

- Progressed existing and cultivated new partnered DEP® programs, including:
  - Executed a new strategic partnership with Medicxi, a leading life sciences investment firm, to form Petalion Therapeutics. This partnership is focused on developing a novel cancer therapy leveraging Starpharma's dendrimer technology and dendrimer science expertise.
  - Continued existing partnered DEP® research programs, including MSD and Genentech. In these partnerships, Starpharma provides dendrimer chemistry expertise and develops functionalised dendrimers for its partners to test.
  - Partnered with the University of Queensland's Hub for Advanced Manufacture of Targeted Radiopharmaceuticals (AMTAR Hub) in July 2023, to advance the research and development of Starpharma's targeted DEP® radiopharmaceuticals.
  - Undertook business development activities and commercial discussions with new potential partners for DEP® drug delivery programs in a number of research areas, including oncology and non-oncology areas, ADCs, and radiotheranostics.

Long-term incentives (LTI)

Summary of LTI performance pay related to FY24:

LTI equity awarded	Performance period	Performance condition	Maximum LTI rights available	LTI rights awarded	% awarded
J K Fairley[1]	1 Jul 2021 – 30 Jun 2024	KPIs	245,614	73,684	30%
	1 Jul 2021 – 30 Jun 2024	TSR	105,263	–	0%
	1 Jul 2022 – 30 Jun 2025	KPIs	354,203	35,420	10%
	1 Jul 2022 – 30 Jun 2025	TSR	151,803	–	0%

1. J K Fairley retired as CEO on 8 January 2024. Her maximum LTI rights available to be awarded was prorated based on period of service.

The Remuneration and Nomination Committee and the Board determined the above award of LTI incentives for the performance period 1 July 2021 to 30 June 2024 and 1 July 2022 to 30 June 2025, based on the annual review of actual performance against predetermined corporate KPIs and TSR performance. These targets were set by the Remuneration and Nomination Committee and the Board at the beginning of the performance period and align with the company's strategic, operational and financial objectives. LTI equity awards for the CEO in FY24 were based on the assessed scorecard measures, weightings and TSR, as disclosed below.

LTI performance assessment		Performance period 1 July 2021 to 30 June 2024
Performance category	**Metric**	**Weighting**
Financial KPIs for VIRALEZE™, VivaGel® BV and DEP®	Monetisation of the VIRALEZE™, VivaGel® and DEP® Drug Delivery portfolios represented by the generation of revenue, or value from asset sale(s), through the completion of a number of commercial deals that build shareholder value.	40%
Business KPIs for VIRALEZE™, VivaGel® and DEP®	Optimisation of returns from VIRALEZE™ and VivaGel® revenue, represented by programs to maximise product returns to Starpharma; development of new DEP® candidates; completion of specified DEP® clinical trials; and/or licensing (and/or asset sales) of DEP® candidates.	30%
Relative TSR	Starpharma's TSR compared to the performance of the S&P/ASX300 Index over a 3-year period.	30%
		100%

In making this LTI assessment, the Remuneration and Nomination Committee and the Board considered the following factors, with other commercially sensitive matters not disclosed also taken into account.

- Expanded the commercial availability of VIRALEZE™ nasal spray in Europe, Vietnam, the UK, Hong Kong and Macau, including through online and retail channels.
- Signed sales and distribution arrangements for VIRALEZE™ nasal spray with commercial partners in the UK, Italy, Vietnam, the Middle East, Hong Kong and Macau.
- Commenced and completed the VIRALEZE™ post-marketing study in the UK, generating valuable clinical data to support the transition to the new EU MDR, which will come into effect in 2029.
- Generated additional preclinical data on SPL7013 and VIRALEZE™, demonstrating their effects in multiple strains of SARS-CoV-2 in laboratory studies.
- Generated and reported tolerability data on VIRALEZE™ from a clinical study completed in Australia.
- Achieved new registrations of both VIRALEZE™ and VivaGel® BV.
- Successfully achieved regulatory certification of VivaGel® BV under the new EU MDR in June 2024. Certification under the EU MDR gives renewed certainty about the status of VivaGel® BV in Europe and is an important factor for potential commercial partners in this region.
- Successfully negotiated an exit from the VivaGel® BV license with Mundipharma. Under the settlement agreement, Starpharma regained commercial distribution rights to Mundipharma's licensed territories and received a one-time cash payment of $6.6M AUD from Mundipharma.
- Secured a sales and distribution agreement for the Middle East and North Africa Region with ITROM Pharmaceutical Group, following the reversion of distribution rights from Mundipharma.
- Completed the VivaGel® BV formal dispute resolution process with the US Food and Drug Administration (FDA).
- VivaGel® BV commercialisation expanded with new product launches in additional countries in Asia and Africa. A new VivaGel® condom range was launched by Okamoto in Japan, targeting youth demographics.
- Completed all three in-house Phase II DEP® clinical trials of DEP® SN38, DEP® cabazitaxel, and DEP® docetaxel, and reported the final results from all programs. Undertook ongoing commercial discussions with potential licensees for each product.
- Presented the Phase II clinical trial results of DEP® SN38 and DEP® cabazitaxel at notable industry conferences, including ASCO and AACR.
- Expanded the market potential for all internal clinical-stage DEP® candidates by adding new indications and progressing value-adding combination studies to Phase II trials for: DEP® docetaxel plus gemcitabine and DEP® SN38 plus 5-FU/ leucovorin ('FOLFIRI').
- Developed and progressed DEP® radiotheranostic candidates, targeted and untargeted, including DEP® lutetium, DEP® HER2-lutetium and DEP® zirconium, through preclinical research. Generated and released data highlighting the benefits of DEP® applied to radiotheranostics.
- Developed and progressed DEP® ADCs candidates. Generated and reported data showcasing the benefits afforded by DEP® in ADCs.
- Completed the preclinical development activities for DEP® gemcitabine.
- Partnered with Medicxi, a leading life sciences investment firm, to form Petalion Therapeutics. Starpharma will license background intellectual property (IP) to develop a DEP® cancer therapy. Medicxi will contribute up to £20M to fund the development of the asset, and in return for licensing its background IP, Starpharma will receive a 22.5% equity position in Petalion.
- Signed and commenced two DEP® Research Agreements with MSD whereby Starpharma designs and synthesises dendrimer-based ADCs and DEP® dendrimer conjugates and provides them to MSD for testing and characterisation.
- Signed and commenced a new DEP® Research Agreement with Genentech to evaluate DEP® drug conjugates and expanded the DEP® Agreement within six months to include an additional DEP® program.
- Supported AstraZeneca's development of AZD0466. AstraZeneca significantly expanded the clinical program for its DEP® product, AZD0466, during the period. However, on 31 July 2023, Starpharma announced that AstraZeneca had made the decision to discontinue the development of AZD0466, following an internal review of their haematology portfolio. AstraZeneca confirmed the asymptomatic events leading to these decisions were not related to the dendrimer component of AZD0466. Starpharma's DEP® Licence Agreement with AstraZeneca remains in place.

5. KMP Executive Remuneration Outcomes, Including Link to Performance continued

Short-term incentives (STI) continued

TSR Assessment

The company's total shareholder return (TSR) was benchmarked against the performance of the S&P/ASX300 Index for the three-year performance period ending 30 June 2024. The company's annualised TSR for the period was (60.2%) compared to the S&P/ASX300 Index's annualised TSR of 2.0%. As a result, 0% of rights subject to the TSR performance condition vested based on the prescribed sliding scale on page 38. The TSR calculations were performed by an independent professional services firm.

The table below provides a summary of the achievement of annualised TSR performance.

Performance period	3 years to 30 June 2024	3 years to 30 June 2023
Starpharma annualised TSR	**(60.2%)**	(29.9%)
Index annualised TSR	**2.0%**	6.7%
Starpharma over/(under) performance of Index (annualised over 3 years)	**(62.2%)**	(36.6%)
% of relative TSR awarded	**0%**	0%

6. Details of Remuneration

Non-executive director remuneration

The below table details the remuneration for the non-executive directors in FY24 and FY23.

Non-executive directors	Financial Year	Base and committee fees (excluding superannuation) $	Superannuation $	Total $
R B Thomas *Chairman*	**2024**	**123,377**	**13,571**	**136,948**
	2023	121,267	12,733	134,000
R Basser[1]	**2024**	**69,405**	**7,635**	**77,040**
	2023	24,442	2,566	27,008
D J McIntyre	**2024**	**83,039**	**–**	**83,039**
	2023	81,000	–	81,000
L Cheng	**2024**	**79,765**	**8,774**	**88,539**
	2023	75,581	7,936	83,517
J R Davies	**2024**	**69,405**	**7,635**	**77,040**
	2023	67,873	7,127	75,000
Z Peach[2]	**2024**	**–**	**–**	**–**
	2023	32,212	3,382	35,594
Total non-executive directors	**2024**	**424,991**	**37,615**	**462,606**
	2023	402,375	33,744	436,119

1. Z Peach resigned from the Board on 29 November 2022.
2. R Basser was appointed to the Board on 20 February 2023.

KMP executive remuneration (statutory disclosure)

The below table details of the remuneration for the KMP executives in FY24 and FY23.

		Short-term benefits			Post-employment	Termination benefits[6]	Long service leave[7]	Share-based payments	
KMP executives[1]	Financial Year	Salary and fees[2] $	Cash bonus[3,4] $	Non-monetary benefits[5] $	Superannuation $	$	$	Performance rights[3] $	Total $
C Maley[8] *CEO & Managing Director*	**2024**	**244,086**	**101,000**	**53,735**	**13,700**	**–**	**422**	**62,821**	**475,764**
	2023	–	–	–	–	–	–	–	–
J K Fairley[9] *CEO & Managing Director*	**2024**	**287,889**	**103,037**	**22,797**	**14,215**	**155,607**	**4,023**	**(75,529)**	**512,039**
	2023	534,289	140,850	41,115	25,296	–	15,593	313,601	1,070,744
J W Cahill[10] *CFO & Company Secretary*	**2024**	**288,478**	**117,000**	**–**	**27,399**	**–**	**513**	**30,768**	**464,158**
	2023	71,250	50,000	–	6,324	–	123	–	127,697
N J Baade[11] *CFO & Company Secretary*	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	186,699	–	18,294	18,972	109,353	–	5	333,323
A Eglezos *VP Business Development*	**2024**	**140,902**	**30,000**	**3,467**	**13,700**	**–**	**5,542**	**56,089**	**249,700**
	2023	266,873	73,000	7,260	25,296	–	7,091	141,895	521,415
J R Paull *VP Development & Regulatory Affairs*	**2024**	**144,475**	**21,500**	**10,111**	**13,700**	**–**	**7,394**	**63,503**	**260,683**
	2023	229,994	75,000	44,909	34,296	–	9,298	167,099	560,596
Total KMP executives	**2024**	**1,105,830**	**372,537**	**90,110**	**82,714**	**155,607**	**17,894**	**137,652**	**1,962,344**
	2023	1,289,105	338,850	111,578	110,184	109,353	32,105	622,600	2,613,775

1. For the reasons explained in Section 1 of the Remuneration Report, the Board has assessed J R Paull and A Eglezos as no longer being KMP from January 2024. Accordingly, the above table presents their remuneration for H1 FY24.
2. Executives may elect to salary sacrifice part of their total fixed remuneration package. Cash salary and fees represents gross salary earned less any salary sacrifice amounts. The two forms of salary sacrifice in FY24 were leasing a motor vehicle under a novation arrangement, and the use of a car park. These amounts are reported in non-monetary benefits, and these amounts for cash salary and fees may vary from one year to the next, depending on the elections chosen.
3. All performance-related remuneration, including cash bonuses and performance rights granted, are determined to be an 'at risk' component of total remuneration. As required by the Accounting Standards, share-based payments relate to the fair value of the performance rights (which may include performance rights granted in prior years), rather than their face value. Where share-based payments expense is a negative number, this reflects the reversal of prior year expensing on the forfeiture of performance rights.
4. The cash bonus reported includes FY24 performance related bonuses, and a retention payment of $50,000 for J W Cahill (to be paid in FY25), as well as a $45,000 sign-on bonus (already paid to C Maley on commencement). For J R Paull and A Eglezos the cash bonus reported relates to FY24 performance accrued during H1 FY24.
5. In addition to any salary sacrifice amounts for KMP executives, non-monetary benefits include one-off relocation and temporary accommodation costs of $52,688 for C Maley, who relocated from Sydney for the role in FY24.
6. After a CEO transition period between January and March 2024, J K Fairley remained available until June 2024 (end of notice period) in an as-needed advisory capacity. Services during the as-needed advisory period were not deemed substantive, and therefore payments to the end of the notice period have been disclosed as termination benefits in FY24.

   Termination benefits in FY23 relate to N J Baade's annual leave and long service leave entitlements upon resignation.
7. Long service leave relates to amounts accrued during the year.
8. C Maley was appointed as Chief Executive Officer and Managing Director on 8 January 2024.
9. J K Fairley retired as Chief Executive Officer and Managing Director on 8 January 2024.
10. J W Cahill commenced employment on 3 April 2023.
11. N J Baade resigned on 31 March 2023.

6. Details of Remuneration continued

Details of KMP executive remuneration mix

The relative proportions of KMP executive remuneration for FY24 that are linked to performance and those that are fixed are as follows:

		Fixed remuneration	At risk – STI cash	At risk – STI equity	At risk – STI total	At risk – LTI equity
CEO	**Target**	**35%**			**25%**	**40%**
C Maley	Actual	72%	13%	4%	17%	11%
J K Fairley	Actual	64%	20%	16%	36%	0%
Other KMP executives	**Target**	**50%**			**20%**	**30%**
J W Cahill	Actual	76%	16%	2%	18%	6%
J R Paull	Actual	68%	8%	6%	14%	18%
T Egelzos	Actual	65%	12%	6%	18%	17%

Details of remuneration: cash bonuses, shares, and performance rights

For each cash bonus and grant of equity included in the tables on pages 47 to 51, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance objectives, is set out below. Performance rights vest over the specified periods provided vesting criteria are met. No rights will vest if the conditions are not satisfied, hence, the minimum value of the rights yet to vest is nil. The maximum value of the rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. KMP Executives were awarded a percentage of their maximum cash bonus entitlement as per the table on page 41.

					Performance rights	
Name	Grant date fair value of rights granted during 2024[1,2] $	Financial year granted	Vested %	Forfeited %	Financial years in which rights may vest	Maximum fair value yet to vest $
C Maley	330,036	2024	0%	20%	FY25	33,481
		2024	0%	0%	FY27	221,374
J K Fairley	90,105	2024	0%	36%	FY25	7,053
		2023	0%	47%	FY24	–
		2023	0%	96%	FY25	1,204
		2022	0%	81%	FY25	9,074
		2021	36%	64%	FY24	–
J W Cahill	99,828	2024	0%	19%	FY25	10,673

					Performance rights	
Name	Grant date fair value of rights granted during 2024[1,2] $	Financial year granted	Vested %	Forfeited %	Financial years in which rights may vest	Maximum fair value yet to vest $
		2024	0%	0%	FY27	50,734
		2024	0%	0%	FY25	3,848
J R Paull	109,628	2024	0%	32%	FY25	3,514
		2024	0%	0%	FY27	50,734
		2024	0%	0%	FY25	9,235
		2023	0%	30%	FY24	–
		2023	0%	0%	FY26	62,115
		2022	0%	43%	FY25	7,147
		2021	66%	34%	FY24	–
A Eglezos	109,628	2024	0%	43%	FY25	1,460
		2024	0%	0%	FY27	50,734
		2024	0%	0%	FY25	9,235
		2023	0%	39%	FY24	–
		2023	0%	0%	FY26	56,866
		2022	0%	47%	FY25	6,130
		2021	63%	37%	FY24	–

1. The value at grant date calculated in accordance with AASB 2 Share-based Payments of performance rights granted during the year as part of remuneration.
2. The maximum value of performance rights is determined at grant date and is amortised over the applicable vesting period. The amount which will be included in a given KMP executive's remuneration for a given year is consistent with this amortised amount. No performance rights will vest if the conditions are not satisfied, hence the minimum value yet to vest is nil.

Details of related party transactions

Subsidiary, Starpharma Pty Ltd, paid $9,028 for consulting services in FY24 to Centre for Biopharmaceutical Excellence Pty Ltd, which Starpharma non-executive director Dr Jeff Davies is also a director and shareholder. The consulting services were provided by principals other than Dr Jeff Davies and were on normal commercial terms.

There are no other related party transactions with KMP that are not otherwise disclosed within this remuneration report.

7. KMP Executive Employment Agreements

Major provisions of the agreements relating to remuneration are set out below for KMP executives who are employed at the date of this report.

	C Maley	J W Cahill
Agreement term	No fixed term	No fixed term
Base salary per annum, inclusive of superannuation	$550,000	$315,877
STI cash bonus	Up to $70,000 for FY24, on the achievement of predetermined KPIs $45,000 sign-on bonus payable upon commencement on 8 January 2024	STI cash bonus payable subject to personal and company achievement against Board approved performance objectives
STI and LTI equity	Participates in STI and LTI equity plan, subject to receiving any required or appropriate shareholder approval	Participates in STI and LTI equity plan

The termination provisions for C Maley and J W Cahill are as follows:

	Notice period	Payment in lieu of notice	Treatment of equity STI	Treatment of LTI
Resignation	CEO – 6 Months CFO – 3 months	Yes	Unvested awards forfeited	Unvested awards forfeited
Termination for cause	None	None	Unvested awards forfeited	Unvested awards forfeited
Termination without cause, including redundancy	CEO – 6 months CFO – 3 months	CEO – 6 months payment in lieu of notice CFO – 3 months payment in lieu of notice	Unvested awards lapse unless the Board determines otherwise after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met. Vesting of the rights may be accelerated in this case.	Unvested awards lapse unless the Board determines otherwise after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met. Vesting of the rights may be accelerated in this case.
Termination in cases of death, disablement or other cause approved by the Board	N/A	N/A	Unvested awards lapse, unless the Board determines otherwise after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met. Vesting of the rights may be accelerated in this case.	Unvested awards lapse, unless the Board determines otherwise after considering the portion of the performance period that has elapsed and the extent to which performance conditions have been met. Vesting of the rights may be accelerated in this case.

There are no loans or other transactions to the KMP executives.

8. KMP Equity Holdings

Ordinary shares

The table below sets out the movements in shares held directly or indirectly by KMP during the year.

2024 Name	Balance at the start of the year	Granted during the year as compensation	On exercise of performance rights during the year	Other changes during the year[1]	Balance at the end of the year
Non-executive directors					
R B Thomas	950,000	–	–	950,000	1,900,000
D J McIntyre	16,240	–	–	–	16,240
L Cheng	60,000	–	–	110,555	170,555
J R Davies	50,000	–	–	879,687	929,687
R Basser	–	–	–	71,428	71,428
KMP executives					
C Maley[2]	–	–	–	125,000	125,000
J K Fairley[3]	4,055,434	–	–	–	4,055,434
J W Cahill[4]	–	–	–	–	–
J R Paull[5]	41,106	–	–	–	41,106
A Eglezos[5]	267,542	–	–	18,285	285,827

1. Other changes relate to purchases of shares on-market.
2. C Maley was appointed as Chief Executive Officer and Managing Director on 8 January 2024.
3. J K Fairley retired as Chief Executive Officer and Managing Director on 8 January 2024.
4. J W Cahill commenced as Chief Financial Officer and Company Secretary on 3 April 2023.
5. For the reasons explained in Section 1 of the Remuneration Report, J R Paul and A Eglezos are no longer assessed as KMP from January 2024.

Performance rights

The table below sets out the movements in rights over ordinary shares held by KMP during the year.

2024 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year[1]	Balance at the end of the year	Vested and exercisable at the end of the year	Total unvested
KMP executives							
C Maley[2]	–	2,278,428	–	–	2,278,428	–	2,278,428
J K Fairley[3]	6,280,125	667,441	–	(514,918)	6,432,648	4,458,798	1,973,850
J W Cahill[4]	–	748,750	–	–	748,750	–	748,750
J R Paull[5]	2,026,224	818,750	–	(88,994)	2,755,980	1,530,030	1,225,950
A Eglezos[5]	1,787,290	818,750	–	(93,740)	2,512,300	1,320,750	1,191,550

1. Other changes during the year relate to the forfeiture of rights.
2. C Maley was appointed as Chief Executive Officer and Managing Director on 8 January 2024.
3. J K Fairley retired as Chief Executive Officer and Managing Director on 8 January 2024.
4. J W Cahill commenced as Chief Financial Officer and Company Secretary on 3 April 2023.
5. For the reasons explained in Section 1 of the Remuneration Report, J R Paul and A Eglezos are no longer assessed as KMP from January 2024.

8. KMP Equity Holdings continued

The market value at vesting date of performance rights that vested during 2024 was $99,951 (2023: $338,461). The market value is calculated using the opening share price on the respective vesting/exercise date or forfeit date.

No other shares were issued on the vesting of performance rights provided as remuneration to any of the groups' directors or KMP in the current year.

Dilutionary impact of performance rights on issue

As at 30 June 2024, there were 25,498,545 performance rights on issue, representing 6.2% of the 412,372,598 shares on issue.

As at 30 June 2024, there were 3,027,178 performance rights held by KMP, representing 0.7% of the 412,372,598 shares on issue.

9. Details of equity incentives affecting current and future remuneration

The terms and conditions of the grant of performance rights to the key management personnel of the group in the current year or which impact future years are as follows:

Grant date	Vesting date	Number of rights granted	Performance measure[1]	Fair value per right at grant date	% vested
5 September 2023	30 June 2025	290,000	KPIs	$0.14	0
27 October 2023	30 June 2025	419,250	KPIs	$0.14	0
27 October 2023	30 September 2026	1,425,450	KPIs	$0.14	0
27 October 2023	30 September 2026	251,550	TSR	$0.08	0
29 November 2023	30 June 2025	667,441	KPIs	$0.14	64%
10 January 2024	30 June 2025	398,725	KPIs	$0.16	0
10 January 2024	30 September 2026	1,315,792	KPIs	$0.16	0
10 January 2024	30 September 2026	563,911	TSR	$0.11	0

1. Achievement of KPIs: The achievement of certain key business performance indicators linked to matters which the Board believes are key drivers of shareholder value. Relative TSR (TSR): As set out on page 37 of the remuneration report.

End of remuneration report

Shares Under Rights

Unissued ordinary shares

There were 25,498,545 unissued ordinary shares of Starpharma Holdings Limited under the Employee Performance Rights Plan as at 30 June 2024 and the date of this report. Please refer to Note 27(b) for a summary. Performance rights and the resultant shares are granted for nil consideration. Performance rights and the resultant shares are granted for nil consideration.

Shares Issued on the exercise of vested rights

There were 11,098,655 ordinary shares of Starpharma Holdings Limited issued during the year ended 30 June 2024. No further shares have been issued since that date. Please refer to Note 27(b) for a summary. The shares are issued for nil consideration.

Insurance of Officers

During the financial year, Starpharma Holdings Limited paid a premium to insure the company's directors, executive officers and related bodies corporate against certain liabilities and expenses.

In accordance with normal commercial practice, the disclosure of the amount of premium payable, and the nature of the liabilities and expenses covered by the policy, is prohibited by a confidentiality clause in the relevant insurance contract.

Audit and Non-Audit Services

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit services provided during the year are set out below. There were no non-audit services provided by the auditor during the financial year.

During the year, the following fees were paid or payable for services provided by the auditor (PricewaterhouseCoopers) of the company, its related practices and non-related audit firms.

Assurance services	2024 $	2023 $
Audit or review of financial reports of the entity or any entity in the group under the *Corporations Act 2001*	**158,100**	169,218

No other taxation or advisory services have been provided by the auditor in either the current or prior year.

Directors' Report continued

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 55.

Rounding of Amounts

The company is of a kind referred to in ASIC Corporations (Rounding Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off'' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

Robert B Thomas AO
Chairman

Melbourne, 22 August 2024

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of Starpharma Holdings Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Starpharma Holdings Limited and the entities it controlled during the period.

Brad Peake
Partner
PricewaterhouseCoopers

Melbourne
22 August 2024

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Annual Financial Report

FOR THE YEAR ENDED 30 JUNE 2024

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These financial statements are the consolidated financial statements for the consolidated entity consisting of Starpharma Holdings Limited and its subsidiaries (collectively, "the group"). The financial statements are presented in dollars denominated in Australian currency. Starpharma Holdings Limited is a public company limited by shares, incorporated and domiciled in the state of Victoria, Australia.

Its registered office and principal place of business is:

Starpharma Holdings Limited
4-6 Southampton Crescent
Abbotsford, Victoria, 3067
Australia

A description of the nature of the group's operations and its principal activities is included in pages 20 to 24, which are not part of this financial report.

The financial statements were authorised for issue by the directors on 22 August 2024. The directors have the power to amend and reissue the financial report.

Through the use of the internet, Starpharma ensures that corporate reporting is timely and complete. All recent press releases, financial reports and other information are available on the group's website), as well as ASX announcements and releases available via the Australian Securities Exchange (www2.asx.com.au/markets/trade-our-cash-market/historical-announcements).

Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024 $'000	30 June 2023 $'000
Continuing operations			
Revenue	5	**9,756**	4,208
Cost of goods sold		**(632)**	(1,120)
Other income	5	**–**	135
Research and product development expense			
(net of R&D tax incentive)	6	**(10,053)**	(11,239)
Commercial and regulatory operating expense	6	**(3,664)**	(3,854)
Corporate, administration and finance expense	6	**(3,572)**	(3,768)
Loss before income tax		**(8,165)**	**(15,638)**
Income tax expense	7	**–**	–
Loss from continuing operations attributable to equity holders of the company		**(8,165)**	**(15,638)**
Other comprehensive income (loss)		**–**	**–**
Total comprehensive income (loss) for the period		**(8,165)**	**(15,638)**
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company		**$**	**$**
Basic loss per share	26	**($0.02)**	($0.04)
Diluted loss per share	26	**($0.02)**	($0.04)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

AS AT 30 JUNE 2024

	Notes	30 June 2024 $'000	30 June 2023 $'000
Current assets			
Cash and cash equivalents	8	**23,360**	35,180
Trade and other receivables	9	**7,151**	9,169
Inventories	10	**2,408**	2,773
Total current assets		**32,919**	**47,122**
Non-current assets			
Property, plant and equipment	11	**1,314**	1,584
Right-of-use assets	14	**2,581**	3,380
Total non-current assets		**3,895**	**4,964**
Total assets		**36,814**	**52,086**
Current liabilities			
Trade and other payables	12	**4,013**	7,667
Borrowings	13	**775**	4,778
Lease liabilities	14	**796**	744
Provision for employee benefits	15	**1,050**	1,281
Deferred income	5	**28**	3
Total current liabilities		**6,662**	**14,473**
Non-current liabilities			
Lease liabilities	14	**1,957**	2,750
Provision for employee benefits	15	**79**	48
Total non-current liabilities		**2,036**	**2,798**
Total liabilities		**8,698**	**17,271**
Net assets		**28,116**	**34,815**
Equity			
Contributed capital	16	**240,750**	240,715
Reserves	17	**29,730**	28,299
Accumulated losses	18	**(242,364)**	(234,199)
Total equity		**28,116**	**34,815**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Contributed capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022		**240,669**	**26,285**	**(218,561)**	**48,393**
Loss for the year		–	–	(15,638)	(15,638)
Other comprehensive income (loss)		–	–	–	–
Total comprehensive income (loss) for the year		**–**	**–**	**(15,638)**	**(15,638)**
Transactions with owners, recorded directly in equity:					
Employee share plans	16	46	–	–	46
Employee performance rights plan	17	–	2,014	–	2,014
Total transactions with owners		**46**	**2,014**	**–**	**2,060**
Balance at 30 June 2023		**240,715**	**28,299**	**(234,199)**	**34,815**
Loss for the year		**–**	**–**	**(8,165)**	**(8,165)**
Other comprehensive income (loss)		**–**	**–**	**–**	**–**
Total comprehensive income (loss) for the year		**–**	**–**	**(8,165)**	**(8,165)**
Transactions with owners, recorded directly in equity:					
Employee share plans	16	**35**	**–**	**–**	**35**
Employee performance rights plan	17	**–**	**1,431**	**–**	**1,431**
Total transactions with owners		**35**	**1,431**	**–**	**1,466**
Balance at 30 June 2024		**240,750**	**29,730**	**(242,364)**	**28,116**

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024 $'000	30 June 2023 (restated) $'000
Cash flows from operating activities			
Receipts from trade and other debtors (inclusive of GST)		**8,412**	3,085
Grant income and R&D tax incentives (inclusive of GST)		**7,244**	7,146
Payments to suppliers and employees (inclusive of GST)		**(23,941)**	(25,459)*
Interest received		**1,532**	1,194
Interest paid		**(224)**	(277)
Net cash outflows from operating activities	25	**(6,977)**	**(14,311)**
Cash flow from investing activities			
Payments for property, plant and equipment		**(89)**	(621)
Proceeds from sale of financial assets		**–**	11
Net cash outflows from investing activities		**(89)**	**(610)**
Cash flow from financing activities			
Proceeds from borrowings		**886**	1,037*
Repayment of borrowings		**(4,888)**	(259)*
Lease repayments		**(745)**	(695)
Net cash outflows from financing activities		**(4,747)**	**83**
Net increase (decrease) in cash and cash equivalents held		**(11,813)**	**(14,838)**
Cash and cash equivalents at the beginning of the year		**35,180**	49,918
Effects of exchange rate changes on cash and cash equivalents		**(7)**	100
Cash and cash equivalents at the end of the year		**23,360**	**35,180**

* The prior year cashflows from financing activities have been restated to reflect $1,037,000 proceeds from borrowings from an insurance premium loan (premiums paid directly by the lender to the insurer) and $259,000 subsequent repayments of those borrowings. There is a corresponding $778,000 increase in payments to suppliers due to the misclassification.

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

Notes to the Consolidated Financial Statements

30 JUNE 2024

1. Material Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Starpharma Holdings Limited ("the company" or "parent entity") and its subsidiaries (collectively, "the group" or "the consolidated entity").

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Starpharma Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the group

The group has adopted all standards which became effective for the annual reporting period commencing 1 July 2023. The adoption of these standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2023.

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention basis.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(v) Going concern

For the year ended 30 June 2024, the consolidated group has incurred losses from continuing operations of $8,165,000 (2023: $15,638,000) and experienced net cash outflows of $6,977,000 from operations (2023: $14,311,000), as disclosed in the income statement and statement of cash flows, respectively. The consolidated group is in the development and early commercialisation phase, and given the entity's strategic plans, the directors are satisfied regarding the availability of working capital for the period up to at least 31 August 2025. Accordingly, the directors have prepared the financial report on a going concern basis in the belief that the consolidated entity will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial report.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group has one subsidiary, Starpharma Pty Limited.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost. Details of associates are disclosed in note 24.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

1. Material Accounting Policies continued

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(e) Revenue recognition

The accounting policies for the group's revenue from contracts with customers are explained in note 5.

(f) Leases

The group's leasing policy is described in note 14.

(g) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held with financial institutions, and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The amount of significant cash and cash equivalents not available for use is disclosed in note 8.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit loss. Trade receivables are generally due for settlement within 30 to 60 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Collectability of trade receivables is reviewed on an ongoing basis. The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. An expected credit loss is recognised when there is objective evidence that the group will not be able to collect the relevant receivable.

(i) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Property, plant and equipment and leasehold improvements

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of the residual values, over their estimated useful lives. The expected useful lives are two to 20 years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

The cost of improvements to or on leasehold properties is amortised over the remaining term of the premises lease (being 3.5 years at the reporting date) or the estimated useful life of the improvement to the group, whichever is shorter.

(k) Intangible assets

(i) Patents and licences

Costs associated with patents are expensed as incurred. Licences and acquired patents with a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences and patents over the period of the expected benefit, which is up to 20 years. As at the reporting date no patents or licences are recognised as intangible assets.

(ii) Research and development

Research and development expenditure is expensed as incurred, except that costs incurred on development projects, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. To date, no research and development costs have been recognised as intangible assets.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(m) Provisions

Provisions for legal claims, service claims, and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, and it is more probable than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate for the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessment of the time, value of money, and the risks specific to the liability. The increase of the provision due to the passage of time is recognised as interest expense.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual and long service leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Superannuation benefits

Group companies make the statutory superannuation guarantee contribution in respect of each employee to their nominated complying superannuation fund. In certain circumstances, pursuant to an employee's employment contract, the group companies may also be required to make additional superannuation contributions and/or agree to make salary sacrifice superannuation or pension contributions in addition to the statutory guarantee contribution. The relevant entities' legal or constructive obligation is limited to the above contributions. Contributions to the employees' superannuation are recognised as an expense as they become payable.

1. Material Accounting Policies continued

(n) Employee benefits continued

(iii) Share-based payments

Share-based compensation benefits are offered to employees via an Employee Performance Rights Plan and an Employee Share Plan ($1,000 Plan). Information relating to these plans is set out in note 27 and in the remuneration report under the directors' report.

The fair value of performance rights granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period. Depending on the performance measure of the right vesting, the fair value at grant date represents either a volume weighted average price (VWAP) of shares leading up to the grant date, or a value calculated using a hybrid Monte-Carlo-trinomial option pricing model taking into account the absolute total shareholder return (TSR) target, the term of the right, the share price at grant date, the risk-free rate, the expected dividend yield, expected share price volatility, the volatility of the relevant index, and the correlation between the share price and that index. The fair value excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of performance rights that are expected to become exercisable. The employee benefit expense recognised in each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the consolidated income statement with a corresponding adjustment to equity.

Under the Employee Share Plan ($1,000 Plan), shares are issued to employees for no cash consideration and vest at the earlier of three years or cessation of employment. On this date, the market value of the shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

(iv) Bonus payments

The group recognises a liability and an expense for employee bonuses based on a formula that takes into consideration performance criteria that have been set. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

For non-cash incentives where equity is granted, refer to note 27 and the remuneration report under the directors' report.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(p) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or performance rights are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or performance rights for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable from, or payable to, the taxation authority and are included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

(t) Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(u) Parent entity financial information

The financial information for the parent entity disclosed in note 28 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Share-based payments

The grant by the parent entity of rights over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2. Financial Risk Management

The group's activities expose it to a variety of financial risks; including market risk, credit risk and liquidity risk. The group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The Chief Executive Officer, and Chief Financial Officer & Company Secretary, under the guidance of the Audit and Risk Committee and the Board, have responsibility for the financial risk management program.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The group operates internationally and is exposed to foreign exchange risk arising from currency exposures to major currencies including United States dollars (US$) and Great British pounds (£).

On the basis of the nature of these transactions, the group does not use derivative financial instruments to hedge such exposures but maintains cash and deposits in Australian dollars, United States dollars and Great British pounds. The directors regularly monitor the potential impact of movements in foreign exchange exposure.

The exposure to foreign currency risk at the reporting date calculated using the closing exchange rate as at 30 June 2024 for US$ of $0.6651 and for £ of $0.5262 was as follows:

	30 June 2024 US$ $'000	30 June 2023 US$ $'000	30 June 2024 £ £'000	30 June 2023 £ £'000
Cash and cash equivalents	**26**	328	**21**	510
Trade and other receivables	**340**	382	**1**	–
Trade and other payables	**46**	171	**778**	2,363

Group sensitivity

The group is mainly exposed to US$ and £ on foreign currencies held, receivable and payable. The following table details the group's sensitivity to a 10% increase and decrease in the Australian dollar against the US$ or £. A positive number indicates a favourable movement; that is an increase in profit or reduction in the loss.

Impact on profit/(loss) on a movement of	30 June 2024 $'000 US$	30 June 2023 $'000 US$	30 June 2024 £'000 £	30 June 2023 £'000 £
Australian dollar strengthens (increases) against the foreign currency by 10%	**(44)**	(74)	**131**	321
Australian dollar weakens (decreases) against the foreign currency by 10%	**54**	90	**(160)**	(393)

(ii) Cash flow interest rate risk

The group holds interest bearing assets and therefore the income and operating cash flows are exposed to market interest rates.

At the end of the reporting period, the group had the following value of term and at call deposits. Refer to note 8 for additional information.

	30 June 2024 $'000	30 June 2023 $'000
Term deposits and deposits at call	**22,829**	33,519

Group sensitivity

At 30 June 2024, if interest rates changed by 50 basis points (0.50%) either higher or lower from the year end rates with all other variables held constant, group profit for the year would have been $114,000 higher or lower (2023 – change of 50 bps: $168,000 higher/lower) due to either higher or lower interest income from cash or cash equivalents.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures from sales and distribution, product supply, licensing and royalty agreements. Credit risk for cash and deposits with banks and financial institutions is managed by maximising deposits held under major Australian banks. All cash and deposits are held with the National Australia Bank and Commonwealth Bank of Australia. Other than government grants, tax incentives and taxes receivable, third party receivables largely consist of customer receivables from leading multinational organisations.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves and marketable securities. The directors regularly monitor the cash position of the group, giving consideration to the level of expenditure and future capital commitments.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Australian Government Research & Development Tax Incentive

The group's eligible research and development activities qualify for the Australian Government R&D Tax Incentive. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. For the period to 30 June 2024, the group has recorded a contra research and development expense of $5,527,000 (2023: $7,631,000). The total R&D Tax Incentive receivable recorded at 30 June 2024 is $5,527,000 (2023: $7,244,000).

4. Segment Information

The group has determined that on the basis of internal reporting and monitoring to the Chief Executive Officer, who is the chief operating decision maker, the group operates in one business segment, being the discovery, development and commercialisation of dendrimers for pharmaceutical, life science and other applications.

5. Revenue and Other Income

	30 June 2024 $'000	30 June 2023 $'000
Revenue from contracts with customers	**8,289**	2,939
Interest revenue	**1,467**	1,269
Total revenue from continuing operations	**9,756**	**4,208**
Other income	**–**	135
Total revenue and other income from continuing operations	**9,756**	**4,343**

Disaggregation of revenue from contracts with customers

Total revenue from contracts with customers for the year was $8,289,000 (2023: $2,939,000) and included a nonrecurring $6,553,000 from the commercial settlement and termination of the VivaGel® BV license and supply agreement with Mundipharma in August 2023. Revenue from contracts with customers also includes product sales, royalty, and research revenue from commercial partners.

5. Revenue and Other Income continued

Assets and liabilities related to contracts with customers

The group has recognised the following current assets and current liabilities related to contracts with customers:

	30 June 2024 $'000	30 June 2023 $'000
Trade and other receivables	**588**	604
Contract liabilities	**(28)**	(3)

Customer trade and other receivables as at 30 June 2024 are $588,000.

Performance obligations

Revenue is recognised when the company satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services. Information about the company's performance obligations is summarised below:

(i) Licensing revenue and royalties

Typically, a licence granted by the company provides the customer with the right to use, but not own, the company's intellectual property as it exists at the point in time the licence is granted. The company may receive signature payments, milestone payments for specific development (such as clinical or regulatory) or commercial-based outcomes and/or sales-based royalties as consideration for the licence. The performance obligation(s) for a licence are usually satisfied upon, or soon after, the granting of the licence to the partner. Signature payments are normally fixed, where-as development and commercial milestones are variable consideration as they are dependent on the achievement of certain events in the future. The company's estimate of variable consideration will only be recognised to the extent it is highly probable that a significant revenue reversal will not occur in future periods.

Royalties based on sales of product are recognised when the customer's sales of product occur. Where consideration includes guaranteed minimum royalties, they are recognised when the licence is granted or when they are no longer subject to constraint.

Milestones payments are generally due within 30 to 60 days from timing of the milestone event. Royalties are generally due 30 to 60 days after the end of the defined royalty reporting period.

(ii) Product sales

The performance obligation is satisfied upon delivery of the goods. Payment is on normal commercial terms, which may include prepayment and/or payment within 30 to 60 days from delivery. Some contracts provide customers with a right of return for product non-conformance, or discounts based on product shelf-life, which may give rise to variable consideration subject to constraint.

(iii) Research revenue

The performance obligation is satisfied over time upon completion of outlined deliverables and payment is generally due within 30 to 60 days of achievement of each deliverable.

6. Expenses

	30 June 2024 $'000	30 June 2023 $'000
Loss from continuing operations before income tax expense includes the following items:		
R&D tax incentive (contra expense)[1]	**(5,527)**	(7,631)
Employee benefits expenses (including share-based payments)	**9,659**	10,334
Depreciation of property, plant and equipment	**316**	392
Depreciation of right-of-use assets	**799**	802

1. Included within the research and product development expense line item in the consolidated income statement.

7. Income Tax Expense

	30 June 2024 $'000	30 June 2023 (restated*) $'000
(a) Income tax expense/(credit)		
Current tax/deferred tax	–	–
Total income tax expense	**–**	**–**
Income tax attributable to continuing operations	–	–
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(8,165)**	(15,638)
Tax at the Australian tax rate of 25% (2023: 25%)	**(2,041)**	(3,909)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Eligible expenses claimed under R&D tax incentive	**1,795**	2,255
Share-based payments	**367**	515
Taxable capital gains	**3,141**	–
Sundry items	**145**	(53)
Future income tax benefits not brought to account	**(3,407)**	1,192
Income tax expense	**–**	**–**
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised (as recovery is currently not probable)	**121,875**	135,502
Potential tax benefit	**30,469**	**33,875**
(d) Unrecognised temporary differences		
Temporary differences for which no deferred tax asset has been recognised (as recovery is currently not probable)	**17,950**	5,068
Unrecognised deferred tax relating to the temporary differences	**4,487**	**1,267**
(e) Deferred tax liabilities		
Unrecognised deferred tax liabilities relating to the above temporary differences:		
Lease right-of-use assets	**645**	845
Property, plant and equipment	**258**	297
Sundry items	**3**	4
Total deferred tax liabilities	**906**	**1,146**
Set-off of deferred tax assets pursuant to set-off provisions	**(906)**	(1,146)
Net deferred tax liabilities	**–**	**–**

* The prior year has been restated to reflect a 25% (previously 30%) Australian tax rate. The 25% "base rate entity company tax rate" is applicable as the group's current aggregated turnover and passive income is below the prescribed level.

Deferred tax assets and deferred tax liabilities have been set off as there is a legally recognised right to set off current tax assets and liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the relevant tax authority. Deferred tax assets are mainly attributable to unused tax losses. Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2024 because the directors do not presently believe that it is appropriate to regard realisation of the future income tax benefit as probable. Similarly, future benefits attributable to net temporary differences have not been brought to account as the directors do not regard the realisation of such benefits as probable.

Realisation of the benefit of tax losses would be subject to the group satisfying the conditions for deductibility imposed by tax legislation and no subsequent changes in tax legislation adversely affecting the group. The group has made an assessment as to the satisfaction of deductibility conditions at 30 June 2024, which it believes will be satisfied.

8. Current Assets – Cash and Cash Equivalents

	30 June 2024 $'000	30 June 2023 $'000
Cash at bank and on hand	531	1,661
Term deposits and deposits at call	22,829	33,519
	23,360	35,180

Cash at bank and on hand

The cash at bank and on hand is non-interest bearing, and includes foreign currencies held.

Term deposits and deposits at call

The term deposits have maturities of three months or less. Funds in deposits at call allow the group to withdraw funds on demand.

Deposits not available

There is $1,256,000 (2023: $1,198,000) of term deposits not available for use due to funds being utilised as security for a bank guarantee on the company's property lease, and for a finance lease facility.

Interest rate risk

Current receivables are non-interest bearing.

		Floating interest rate	Fixed interest maturing			Non-interest bearing		
30 June 2024	Notes	$'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000	$'000	Total $'000	Contractual cash flows
Financial assets								
Cash and deposits	8	2,220	20,609	–	–	531	23,360	–
Receivables	9	–	–	–	–	7,151	7,151	7,151
		2,220	20,609	–	–	7,682	30,511	7,151
Weighted average interest rate		*4.5%*	*5.0%*	*–%*	*–%*	*–%*		
Financial liabilities								
Payables	12	–	–	–	–	4,012	4,012	4,012
Lease liabilities	14	–	796	1,957	–	–	2,753	2,753
Borrowings	13	–	775	–	–	–	775	775
		–	1,571	1,957	–	4,012	7,540	7,540
Weighted average interest rate		*–%*	*3.5%*	*4.3%*	*–%*	*–%*		

30 June 2023	Notes	Floating interest rate $'000	Fixed interest maturing 1 year or less $'000	Fixed interest maturing 1 to 5 years $'000	Fixed interest maturing More than 5 years $'000	Non-interest bearing $'000	Total $'000	Contractual cash flows
Financial assets								
Cash and deposits	8	3,022	30,498	–	–	1,660	35,180	N/A
Receivables	9	–	–	–	–	9,169	9,169	9,169
		3,022	30,498	–	–	10,829	44,349	9,169
Weighted average interest rate		4.3%	4.7%	-%	-%	-%		
Financial liabilities								
Payables	12	–	–	–	–	7,667	7,667	7,667
Lease liabilities	14	–	744	2,750	–	–	3,494	3,494
Borrowings	13	4,000	778	–	–	–	4,778	4,778
		4,000	**1,522**	**2,750**	**–**	**7,667**	**15,939**	**15,939**
Weighted average interest rate		*4.3%*	*3.6%*	*4.2%*	-%	-%		

9. Current Assets – Trade and Other Receivables

	30 June 2024 $'000	30 June 2023 $'000
Trade and grant receivables	**6,095**	7,857
Interest receivables	**64**	128
Prepayments	**811**	934
Other receivables	**181**	250
	7,151	**9,169**

Trade and grant receivables

Trade and grant receivables primarily comprise of $5,527,000 (2023: $7,244,000) of eligible expenditure reimbursable under the Australian Government's R&D tax incentive scheme, with the balance related to customer receivables. Customer receivables are subject to normal terms of settlement within 30 to 60 days.

Prepayments

Prepayments primarily relate to insurance premiums paid in advance.

Other receivables

Other receivables comprise GST/VAT and other taxes refundable and sundry debtors, and are subject to normal terms of settlement within 30 to 90 days.

9. Current Assets – Trade and Other Receivables continued

Credit risk

The group considers that there is no significant credit risk with respect to trade and other receivables. Grant receivables are with government bodies and trade receivables are from large companies.

Impaired receivables

As at 30 June 2024, there were no material trade and grant receivables that were past due (2023: nil). The group applies the accounting policy in note 1(h) to trade receivables. Under the expected credit loss model, no receivables are considered impaired at 30 June 2024 (2023: nil).

10. Inventories

Current assets	30 June 2024 $'000	30 June 2023 $'000
Raw materials	**2,317**	2,578
Finished goods	**91**	195
	2,408	**2,773**

Assigning costs to inventories

The costs of individual items of inventory are determined using the weighted average cost method. See note 1(i) for detail on the group's accounting policy for inventories.

Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 30 June 2024 amounted to $632,000 (2023: $1,120,000). These were included in cost of goods sold.

Write-downs of inventories to net realisable value amounted to $21,000 (2023: $16,000). These were included in cost of goods sold.

Raw materials

Raw materials consist of the key raw materials and components used in the manufacture of commercial products, including VIRALEZE™ and VivaGel®.

Finished goods

Finished goods are products that are subject to a customer purchase order, have completed production, or are awaiting delivery to the customer.

11. Non-Current Assets – Property, Plant and Equipment

	Plant and equipment $'000	Leasehold improvements $'000	Total $'000
At 30 June 2022			
Cost	4,623	691	5,314
Accumulated depreciation	(3,326)	(652)	(3,978)
Net book amount	**1,297**	**39**	**1,336**
Year ended 30 June 2023			
Opening net book amount	1,297	39	1,336
Additions	558	84	642
Disposals	(3)	–	(3)
Depreciation	(349)	(42)	(391)
Closing net book amount	**1,503**	**81**	**1,584**
At 30 June 2023			
Cost	3,936	776	4,712
Accumulated depreciation	(2,433)	(695)	(3,128)
Net book amount	**1,503**	**81**	**1,584**
Year ended 30 June 2024			
Opening net book amount	**1,503**	**81**	**1,584**
Additions	**46**	**–**	**46**
Disposals	**(52)**	**–**	**(52)**
Depreciation	**(247)**	**(18)**	**(264)**
Closing net book amount	**1,251**	**63**	**1,314**
At 30 June 2024			
Cost	**3,930**	**776**	**4,706**
Accumulated depreciation	**(2,679)**	**(713)**	**(3,392)**
Net book amount	**1,251**	**63**	**1,314**

12. Current Liabilities – Trade and Other Payables

	30 June 2024 $'000	30 June 2023 $'000
Trade payables and accruals	**2,725**	6,615
Other payables	**1,288**	1,052
	4,013	**7,667**

Trade payables and accruals

The majority of trade payables are related to expenditure associated with the group's research and product development programs.

13. Current Liabilities – Borrowings

Borrowings of $775,000 (2023: $4,778,000) relate to an insurance premium loan maturing January 2025, interest rate 2.9%. Borrowings at 30 June 2023 included the $4,000,000 Invest Victoria R&D cash flow loan with Treasury Corporation of Victoria (TCV) which was repaid in October 2023.

14. Current and Non-Current Assets/Liabilities – Leases

The balance sheet shows the following amounts relating to leases:

	30 June 2024 $'000	30 June 2023 $'000
Right-of-use assets		
Premises	**2,298**	2,950
Plant and equipment	**283**	430
	2,581	**3,380**
Lease liabilities		
Current	**796**	744
Non-current	**1,957**	2,750
	2,753	**3,494**

The group leases premises (laboratory and offices space) until 19 December 2027. The group also leases scientific equipment generally over a three to five year term.

The consolidated income statement includes the following amounts relating to leases:

	30 June 2024 $'000	30 June 2023 $'000
Depreciation charge of right-of-use assets		
Premises	**657**	655
Plant and equipment	**146**	146
Total depreciation charge of right-of-use assets	**803**	**801**
Interest expense on lease liabilities	**128**	156
Expense relating to leases of low-value assets	**6**	7
Expense relating to variable lease payments not included in lease liabilities	**70**	91
Total cash outflow for leases	**873**	**851**

15. Current and Non-Current Liabilities – Provision for Employee Benefits

Leave obligations	30 June 2024 $'000	30 June 2023 $'000
Current	**1,050**	1,281
Non-current	**79**	48
	1,129	**1,329**

The leave obligations represent the group's liability for employee long service leave and annual leave. The current portion of this liability includes all of the accrued annual leave, and the unconditional entitlements to long service leave where employees have completed the required period of service. However, based on past experience, the group does not expect all employees to take the full amount of current accrued leave or require payment of the entire amount within 12 months from the reporting date. Current leave obligations expected to be settled after the date which is 12 months from the reporting date is $710,000 (2023: $919,000).

Refer to note 1(n) for further information.

16. Contributed Equity

(a) Share capital

	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Share capital				
Ordinary shares – fully paid	**412,372,598**	410,493,077	**240,750**	240,715

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$'000
1 Jul 2023		410,493,077		240,715
6 Oct 2023	Employee performance rights plan share issue	121,082	$ –	–
9 Nov 2023	Employee performance rights plan share issue	1,089,805		
18 Dec 2023	Employee performance rights plan share issue	93,794		
31 Jan 2024	Employee share plan ($1,000) issue	242,862	$0.14	34
28 Jun 2024	Employee share plan ($1,000) issue	7,143	$0.14	1
28 Jun 2024	Employee performance rights plan share issue	324,835	$ –	–
	Balance at 30 June 2024	**412,372,598**		**240,750**

Date	Details	Number of shares	Issue price	$'000
1 Jul 2022		408,443,407		240,669
27 Oct 2022	Employee performance rights plan share issue	409,040	$ –	–
1 Feb 2023	Employee share plan ($1,000) issue	67,620	$ 0.68	46
17 Mar 2023	Employee performance rights plan share issue	339,710	$ –	–
5 May 2023	Employee performance rights plan share issue	1,233,300	$ –	–
	Balance at 30 June 2023	**410,493,077**		**240,715**

16. Contributed Equity continued

(c) Ordinary shares

As at 30 June 2024 there were 412,372,598 issued ordinary shares. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of, and amounts paid on, the shares held. On a show of hands every holder of ordinary shares present at a duly convened shareholder meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have authorised capital. There is no current on-market share buy-back.

(d) Employee Share Plan ($1,000 Plan)

Information relating to the Employee Share Plan, including details of shares issued under the plan, is set out in note 27.

(e) Employee Performance Rights Plan

Information relating to the Employee Performance Rights Plan, including details of rights issued under the plan, is set out in note 27.

(f) Capital risk management

The group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

17. Reserves

(a) Reserves

	30 June 2024 $'000	30 June 2023 $'000
Share-based payments reserve	**29,730**	28,299
	29,730	**28,299**

(b) Movement in reserves

Share-based payments reserve	30 June 2024 $'000	30 June 2023 $'000
Balance at 1 July	**28,299**	26,285
Performance right expense	**1,431**	2,014
Balance at 30 June	**29,730**	**28,299**

(c) Nature and purpose of reserves

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

18. Accumulated Losses

	30 June 2024 $'000	30 June 2023 $'000
Accumulated losses balance at 1 July	**(234,199)**	(218,561)
Net loss for the year	**(8,165)**	(15,638)
Accumulated losses balance at 30 June	**(242,364)**	**(234,199)**

19. Related Party Transactions

(a) Subsidiaries and associates

Interests in subsidiaries and associates are set out in note 24.

(b) Key management personnel compensation

	30 June 2024 $	30 June 2023 $
Short-term employee benefits	**1,993,469**	2,141,908
Post-employment benefits	**120,327**	143,928
Other long-term benefits	**17,894**	32,105
Termination benefits	**155,607**	109,353
Share-based payments	**137,652**	622,600
	2,424,949	**3,049,894**

Detailed remuneration disclosures are provided in the Section 6 of the remuneration report.

(c) Transactions with group entities

There are related party transactions within the group between the parent and subsidiaries. Transactions include funds advanced to/from entities and the associated interest charge, and management and services fees. All transactions were made on an arm's length basis.

(d) Transactions with associates

There are related party transactions with the associate, Petalion Therapeutics Ltd (Petalion). Starpharma provides R&D services to Petalion on a fee for service basis. Total service fees for FY24 were $514,412. All transactions were made on an arm's length basis.

(e) Transactions with other related parties

The group paid $9,028 for consulting services to Centre for Biopharmaceutical Excellence Pty Ltd, which Starpharma non-executive director Dr Jeff Davies is also a director and shareholder. The consulting services were provided by principals other than Dr Jeff Davies and were on normal commercial terms.

20. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as auditor of the parent entity, its related practices and non-related audit firms:

	30 June 2024 $	30 June 2023 $
Auditors of the group – PwC		
Audit and review of financial reports of the entity or any entity in the consolidated entity	**158,100**	169,218
Other assurance services	**–**	–
Total services provided by PwC	**158,100**	**169,218**

21. Events Occurring After the Balance Sheet Date

No matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial years; or

(b) the results of those operations in future financial years; or

(c) the consolidated entity's state of affairs in future financial years.

22. Commitments

(a) Capital commitments

There is no material capital expenditure contracted not recognised as liabilities at the reporting date (2023: nil).

(b) Termination commitments

The service contracts of key management personnel include benefits payable by the group on termination of the employee's contract. Refer to the remuneration report for details of these commitments.

23. Contingencies

Following the completion of the US FDA dispute resolution process in February 2024, Starpharma terminated its VivaGel® BV product licence with ITF Pharma (now "EDW Pharma") in May 2024. The previously reported contingent liability (2023: US$1.35 million) to pay a proportion of license receipts to an investment bank, which advised on the competitive licence process, is no longer applicable. Accordingly, the company has no contingent liabilities at 30 June 2024.

The company has no contingent assets at 30 June 2024 (2023: nil).

24. Interests in Other Entities

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b).

		Ownership interest held by the group	
Name of entity	Place of business/country of incorporation	2024 %	2023 %
Starpharma Pty Limited	Australia	100%	100%

(b) Interests in associates

Set out below are the associates of the group.

		Ownership interest held by the group	
Name of entity	Place of business/country of incorporation	2024 %	2023 %
Petalion Therapeutics Limited	United Kingdom	22.5%	N/A

On 6 April 2024, Starpharma licensed intellectual property in exchange for a 22.5% shareholding in the newly formed UK entity, Petalion Therapeutics Limited (Petalion). Petalion is now developing a new dendrimer-drug oncology candidate, and the controlling shareholder, Medicxi, will fund the development program with an investment of up to £20 million based on the achievement of project milestones. Starpharma will provide R&D services to Petalion on a fee for service basis. A Starpharma representative holds 1 of the 4 Petalion Board seats.

The carrying amount of the investment in associate is $Nil, as no cash consideration was paid for the shareholding, and the carrying value of the intellectual property licensed to the associate in exchange for shares was $Nil. The class of shareholding and associated liquidation preferences do not currently provide Starpharma with rights to the assets of the associate. The share of the profit or loss of the associate will not be recognised in the group's income statement.

If the associates' dendrimer-drug oncology candidate is successfully developed and advanced, the associate may be acquired via a trade sale or possible IPO where Starpharma may realise a return from a share sale of its equity investment.

25. Reconciliation of Profit After Income Tax to Net Cash Inflow from Operating Activities

	30 June 2024 $'000	30 June 2023 (restated) $'000
Operating profit/(loss) after tax	**(8,165)**	**(15,638)**
Adjustments for:		
Depreciation and amortisation	**1,115**	1,193
Foreign exchange (gain)/loss	**7**	(100)
Non-cash employee benefits: share-based payments	**1,466**	2,060
Net gain/(loss) on sale of property, plant and equipment	**–**	(6)
Change in operating assets and liabilities, net of effects of acquisitions and disposals of entities:		
Decrease/(increase) in receivables and other assets	**2,065**	(1,257)
(Increase)/decrease in inventories	**365**	51
Increase/(decrease) increase in trade creditors	**(3,655)**	(84)
Increase/(decrease) in employee provisions	**(200)**	(67)
Increase/(decrease) in deferred income	**25**	(463)
Net cash outflows from operating activities*	**(6,977)**	**(14,311)**

* The prior year cashflow statement was restated. See the Consolidated Statement of Cash Flows for information.

26. Earnings Per Share

	30 June 2024	30 June 2023
Basic earnings/(loss) per share/Diluted earnings/(loss) per share		
Total earnings/(loss) per share attributable to the ordinary equity holders of the company ($)	**(0.02)**	(0.04)
Reconciliations of earnings/(loss) used in calculating earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings/(loss) per share: ($'000)	**(8,165)**	(15,638)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	**411,433,050**	409,035,257

As at 30 June 2024 the company had on issue 25,498,545 (30 June 2023: 17,548,885) performance rights. The rights are not included in the determination of basic earnings per share. The rights are also not included in the determination of diluted earnings per share. They are not considered dilutive as their conversion would not increase loss per share from continuing operations.

27. Share-Based Payments

Performance rights

(a) Employee Performance Rights Plan

The Employee Performance Rights Plan (Plan) was most recently approved by shareholders at the 2023 Annual General Meeting. All executives and staff, including the Chief Executive Officer, are eligible to participate in the Plan. The Plan allows for the issue of performance rights (being rights to receive fully paid ordinary shares subject to continued employment with the company and the satisfaction of certain performance hurdles over a specified period). Performance rights are granted under the Plan for no consideration. The objective of the Plan is to assist in the recruitment, reward, retention and motivation of employees of the company.

(b) Fair value of performance rights granted

The weighted average assessed fair value at grant date of performance rights granted during the year ended 30 June 2024 was $0.14 per right (2023: $0.57). There were 11,098,655 performance rights granted in the current year (2023: 5,189,084).

The estimated fair value at grant date of rights with a total shareholder return (TSR) performance measure has been valued using a hybrid Monte-Carlo-trinomial option pricing model taking into account the absolute TSR target, the term of the right, the share price at grant date, the risk-free rate, the expected dividend yield, expected share price volatility, the volatility of the relevant index, and the correlation between the share price and that index. All other rights incorporate Key Performance Indicator (KPI) measures, and the fair value at grant date of these rights, represents a volume weighted average price (VWAP) of shares leading up to the grant date.

Set out below is a summary of performance rights:

2024

Grant date	Vesting date	Balance at start of the year Number	Granted during the year Number	Converted during the year Number	Forfeited during the year Number	Balance at end of the year[1] Number
11 Nov 2015	30 Jun 2017	127,625	–	16,000	–	111,625
11 Nov 2015	30 Sep 2018	539,347	–	64,000	–	475,347
19 Nov 2015	30 Jun 2017	181,001	–	–	–	181,001
19 Nov 2015	30 Sep 2018	836,260	–	–	–	836,260
13 Oct 2016	30 Jun 2018	148,438	–	16,000	–	132,438
13 Oct 2016	30 Sep 2019	651,823	–	152,000	–	499,823
29 Nov 2016	30 Jun 2018	172,842	–	–	–	172,842
29 Nov 2016	30 Sep 2019	846,281	–	–	–	846,281
10 Aug 2017	30 Jun 2019	246,396	–	45,400	–	200,996
10 Aug 2017	30 Sep 2020	966,339	–	259,978	–	706,361
29 Nov 2017	30 Jun 2019	197,226	–	–	–	197,226
29 Nov 2017	30 Sep 2020	736,665	–	–	–	736,665
16 Aug 2018	30 Jun 2020	82,931	–	–	–	82,931
16 Aug 2018	30 Sep 2021	314,651	–	–	–	314,651
2 Nov 2018	30 Jun 2020	87,200	–	28,800	–	58,400
2 Nov 2018	30 Sep 2021	323,016	–	89,416	–	233,600
29 Nov 2018	30 Jun 2020	112,708	–	–	–	112,708
29 Nov 2018	30 Sep 2021	350,253	–	–	–	350,253
17 Oct 2019	30 Jun 2021	168,514	–	13,915	–	154,599
17 Oct 2019	30 Sep 2022	758,002	–	194,677	–	563,325
21 Nov 2019	30 Jun 2021	101,320	–	–	–	101,320
21 Nov 2019	30 Sep 2022	203,983	–	–	–	203,983
30 Oct 2020	30 Jun 2021	287,288	–	16,405	–	270,883
30 Oct 2020	30 Jun 2022	271,246	–	57,196	–	214,050
30 Oct 2020	30 Sep 2023	1,500,400	–	469,245	194,409	836,746
20 Nov 2020	30 Jun 2021	176,755	–	–	–	176,755
20 Nov 2020	30 Jun 2022	124,249	–	–	–	124,249
20 Nov 2020	30 Sep 2023	637,173	–	–	407,791	229,382
25 Oct 2021	30 Jun 2023	244,157	–	85,040	3,220	155,897
25 Oct 2021	30 Sep 2024	1,053,014	–	20,896	65,242	966,876
30 Nov 2021	30 Jun 2023	69,070	–	–	–	69,070
30 Nov 2021	30 Sep 2024	394,688	–	–	–	394,688
27 Oct 2022	30 Jun 2024	699,675	–	43,092	103,458	553,125
27 Oct 2022	30 Sep 2025	2,798,698	–	57,456	302,832	2,438,410
29 Nov 2022	30 Jun 2024	227,930	–	–	107,127	120,803
29 Nov 2022	30 Sep 2025	911,721	–	–	–	911,721
5 Sep 2023	30 Jun 2025	–	315,000	–	–	315,000
27 Oct 2023	30 Jun 2025	–	1,533,557	–	67,080	1,466,477
27 Oct 2023	30 Sep 2026	–	6,134,229	–	268,320	5,865,909
29 Nov 2023	30 Jun 2025	–	667,441	–	–	667,441
10 Jan 2024	30 Jun 2025	–	398,725	–	–	398,725
10 Jan 2024	30 Sep 2026	–	1,879,703	–	–	1,879,703
4 Jun 2024	31 Jan 2025	–	170,000	–	–	170,000
Total		17,548,885	11,098,655	1,629,516	1,519,479	25,498,545

1. Unvested rights at the end of the year are not available for employees to exercise into shares.

27. Share-Based Payments continued

Performance rights continued

(b) Fair value of performance rights granted continued

Information used in assessing the fair value of 11,098,655 performance rights granted during the year ended 30 June 2024 is as follows:

Right grant date	5 September 2023	27 October 2023	27 October 2023
Number of rights granted	315,000	1,533,557	5,837,013
Vesting date	30 June 2025	30 June 2025	30 September 2026
Performance measure	KPIs	KPIs	KPIs
Expected price volatility of the company's shares	70%	70%	70%
Risk-free interest rate	3.91%	4.32%	4.32%
Expected dividend yield	–	–	–
Share price at grant date	$0.14	$0.14	$0.14
Assessed fair value	$0.14	$0.14	$0.14

Right grant date	27 October 2023	29 November 2023	10 January 2024
Number of rights granted	297,216	667,441	398,725
Vesting date	30 September 2026	30 June 2025	30 June 2025
Performance measure	TSR	KPIs	KPIs
Expected price volatility of the company's shares	70%	70%	70%
Risk-free interest rate	4.32%	4.21%	3.95%
Expected dividend yield	–	–	–
Share price at grant date	$0.14	$0.14	$0.16
Assessed fair value	$0.08	$0.14	$0.16

Right grant date	10 January 2024	10 January 2024	4 June 2024
Number of rights granted	1,315,792	563,911	170,000
Vesting date	30 September 2026	30 September 2026	31 January 2025
Performance measure	KPIs	TSR	KPIs
Expected price volatility of the company's shares	70%	70%	70%
Risk-free interest rate	3.70%	3.70%	4.19%
Expected dividend yield	–	–	–
Share price at grant date	$0.16	$0.16	$0.10
Assessed fair value	$0.16	$0.11	$0.10

Share price volatility and the risk-free interest rate are obtained through an independent valuation.

Information used in assessing the fair value of 5,189,084 performance rights granted during the year ended 30 June 2023 is as follows:

Right grant date	27 October 2022	27 October 2022	27 October 2022
Number of rights granted	809,887	3,097,706	141,840
Vesting date	30 June 2024	30 September 2025	30 September 2025
Performance measure	KPIs	KPIs	TSR
Expected price volatility of the company's shares	60%	60%	60%
Risk-free interest rate	3.49%	3.33%	3.33%
Expected dividend yield	–	–	–
Share price at grant date	$0.61	$0.61	$0.61
Assessed fair value	$0.61	$0.61	$0.36

Right grant date	29 November 2022	29 November 2022	29 November 2022
Number of rights granted	227,930	638,205	273,516
Vesting date	30 June 2024	30 September 2025	30 September 2025
Performance measure	KPIs	KPIs	TSR
Expected price volatility of the company's shares	60%	60%	60%
Risk-free interest rate	3.40%	3.22%	3.22%
Expected dividend yield	–	–	–
Share price at grant date	$0.52	$0.52	$0.52
Assessed fair value	$0.52	$0.52	$0.28

Share price volatility and the risk-free interest rate are obtained through an independent valuation.

Shares

(a) Employee Share Plan ($1,000 Plan)

All staff are eligible to participate in the Starpharma Employee Share Plan ($1,000 Plan). The objective of the $1,000 Plan is to assist in the reward, retention and motivation of employees of the group. An annual allocation of up to $1,000 of shares may be granted and taxed on a concessional basis. Shares are granted under the $1,000 Plan for no consideration and are escrowed for three years whilst participants are employed by the group.

27. Share-Based Payments continued

(b) Fair value of shares granted

The weighted average fair value at grant date of shares granted under the $1,000 Plan during the year ended 30 June 2024 was $0.14 per share (2023: $0.68 per share). The fair value at grant date is determined by the share price on the date of grant. These shares were granted for no consideration. There was no allocation of shares under the plan to key management personnel.

	30 June 2024	30 June 2023
Share grant date	31 January 2024	1 February 2023
Number of shares granted	250,005	67,620
Share price at grant date/Assessed fair value	$0.14	$0.68

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	30 June 2024 $'000	30 June 2023 $'000
Employee shares issued	**35**	46
Employee performance rights	**1,431**	2,014
	1,466	**2,060**

28. Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity (Starpharma Holdings Ltd) show the following aggregate amounts:

	Parent entity	
	30 June 2024 $'000	30 June 2023 $'000
Balance sheet		
Current assets	**22,359**	33,374
Total assets	**22,359**	33,374
Current liabilities	**1,656**	1,744
Total liabilities	**1,656**	**1,744**
Shareholders' equity		
Contributed equity	**240,750**	240,715
Reserves	**29,221**	27,790
Accumulated losses	**(249,269)**	(236,875)
Loss for the year	**(12,394)**	(14,541)
Total comprehensive income	**(12,394)**	**(14,541)**

(b) Contingencies of the parent entity

The parent entity has no contingent assets or liabilities at 30 June 2024 (2023: nil).

Consolidated Entity Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2024

Name of entity	Type of entity	% of share capital	Place of business/country of incorporation	Australian resident or foreign resident
Starpharma Holdings Ltd	Body Corporate	N/A	Australia	Australian
Starpharma Pty Ltd	Body Corporate	100	Australia	Australian

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with *AASB 10 Consolidated Financial Statements*.

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2024

In the directors' opinion:

(a) the financial statements and notes set out on pages 56 to 84 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with accounting standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

(c) the consolidated entity disclosure statement on page 85 is true and correct.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Robert B Thomas AO
Chairman

Melbourne, 22 August 2024

Independent Audit Report

TO THE MEMBERS OF STARPHARMA HOLDINGS LIMITED

Independent auditor's report

To the members of Starpharma Holdings Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Starpharma Holdings Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

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

What we have audited

The financial report comprises:

- the consolidated balance sheet as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	*Key audit matters*
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • Audit procedures are predominantly performed by PwC Australia, consistent with the location of Group management and financial records.	• Amongst other relevant topics, we communicated the Research and Development Tax Incentive key audit matter to the Audit and Risk Committee. • This is further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Research and Development Tax Incentive Receivable ***(Refer to note 3 critical accounting estimates and judgements, note 6 expenses and note 9 current assets - trade and other receivables)*** The Group undertakes research and development (R&D) activities, some of which, could qualify for a refundable tax offset under the Australian Government R&D Tax Incentive scheme. The Group has assessed these activities and related expenditure to determine their eligibility under the incentive scheme. The R&D Tax Incentive receivable recorded as at 30 June 2024 was $5.52 million and $5.52 million was recognised as a contra R&D expense in the consolidated income statement for the year ended 30 June 2024.	We performed the following procedures, amongst others, to assess the Group's estimate of the R&D Tax Incentive receivable as at 30 June 2024: • compared the estimate recorded in the consolidated financial statements as at 30 June 2023 to the amount of cash received after lodgement of the R&D Tax Incentive claim to assess historical accuracy of the Group's estimate. • compared the nature of the underlying R&D expenditure included in the current year estimate to the nature of expenditure included in the prior year estimate. • assessed the nature of a sample of expenses against the eligibility criteria of the R&D Tax Incentive programme.

Key audit matter	*How our audit addressed the key audit matter*
This is a key audit matter due to: • the financial significance of the amount receivable as at 30 June 2024; and • the degree of judgement and interpretation of the R&D tax legislation required by the Group to assess the eligibility of the R&D expenditure under the scheme.	• agreed a sample of eligible expenditure in the estimate to the general ledger, supporting documentation or other underlying accounting records. • obtained copies of correspondence with the company's external tax advisor and agreed relevant advice to the Group's R&D Tax Incentive Receivable calculation for the current financial year. • evaluated the reasonableness of the disclosures against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, 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 through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001,* including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Starpharma Holdings Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Brad Peake
Partner

Melbourne
22 August 2024

Shareholder Information

Supplementary information as required by ASX listing requirements.

A. Distribution of Equity Shareholders

Equity security holders by size of holding, as at 14 August 2024:

	Class of equity security	
	Shares	Performance rights
1 -1,000	2,046	-
1,001-5,000	2,332	-
5,001-10,000	1,021	-
10,001-100,000	1,688	3
100,001 and over	382	38
Total	**7,469**	**41**

There were 4,471 holders of less than a marketable parcel of ordinary shares.

B. Equity Security Holders

The names of the 20 largest holders of quoted equity securities as at 14 August 2024:

		Ordinary shares	
	Name	Number held	Percentage of issued shares
1.	HSBC Custody Nominees (Australia) Limited	81,247,474	19.70
2.	JP Morgan Nominees Australia Pty Limited	31,174,308	7.56
3.	Citicorp Nominees Pty Limited	15,203,959	3.69
4.	BNP Paribas Noms Pty Ltd	14,494,331	3.51
5.	Bell Potter Nominees Ltd <BB Nominees A/C>	9,000,000	2.18
6.	Ingot Capital Investments Pty Ltd	8,705,000	2.11
7.	T & N Argyrides Investments P/L <T & N Argyrides Pension A/C>	5,060,000	1.23
8.	BNP Paribas Nominees Pty Ltd <Clearstream>	4,866,370	1.18
9.	Mr Kingsley Bryan Bartholomew	4,612,025	1.12
10.	Lavya Pty Ltd <Lavya Family A/C>	4,344,628	1.05
11.	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	4,267,008	1.03
12.	HSBC Custody Nominees (Australia) Limited – A/C 2	4,141,107	1.00
13.	Mr Peter Murray Jackson	3,921,959	0.95
14.	E Equities Pty Ltd	3,700,000	0.90
15.	All-States Finance Pty Limited	3,500,000	0.85
16.	Applecross Secretarial Services Pty Ltd <L Gorr Family A/C>	3,361,550	0.82
17.	Ms Jacinth Fairley	3,252,386	0.79
18.	Charles & Cornelia Goode Foundation Pty Ltd <CCG Foundation A/C>	3,200,000	0.78
19.	Mr Thomas Argyrou	3,000,000	0.73
20.	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	2,739,822	0.66
		213,791,927	**51.84**

Shareholder Information continued

B. Equity Security Holders continued

Name	Unquoted equity securities over ordinary shares	
	Number on issue	Number of holders
Employee performance rights	25,498,545	41

C. Substantial Holders

Substantial shareholders with a shareholding greater than 5% as shown in substantial shareholder notices received by the company as at 16 August 2024:

Name	Ordinary shares	
	Number held	Percentage of issue shares
Allianz SE	48,480,000	11.8
ICM Investment Management Ltd	33,066,682	8.0
Allan Gray Australia Pty Ltd	27,938,497	6.8

D. Voting Rights

The voting rights attached to each class of equity securities are set out below:

(a) Ordinary shares — On a show of hands every member present at a meeting in person or by proxy shall have one vote and on a poll each share shall have one vote.

(b) Performance rights — No voting rights.

Intellectual Property Report

The Starpharma patent portfolio currently has 19 active patent families with over 150 granted patents and more than 40 patent applications pending.

Key patents within the Starpharma portfolio as at 31 July 2024:

Title	Priority date and publication number	Patents granted	Applications pending
VivaGel® patent portfolio			
Agents for the Prevention & Treatment of Sexually Transmitted Diseases	30 March 2001 WO02/079299	USA	
Microbicidal Dendrimer Composition Delivery System (Condom related)	18 October 2005 WO2007/045009	Hong Kong, Japan, Malaysia, South Korea, Taiwan, USA	
Method of Treatment or Prophylaxis of Bacterial Vaginosis	16 May 2011 WO2012/000891	Australia, Canada, China, Europe, Hong Kong, Israel, Japan, Mexico, Russia, South Korea, USA	
Method of Treatment or Prophylaxis of Infection of the Eye	13 September 2012 WO2014/043576	Canada, China, Europe, Hong Kong, India, Japan, USA	
Drug Delivery patent portfolio (includes DEP® patents)			
Macromolecules Compounds having Controlled Stoichiometry	25 October 2005 WO2007/048190	Australia, Canada, Europe, USA	
Modified Macromolecules	20 January 2006 WO2007/082331	Australia, Canada, China, Europe, Hong Kong, India, Japan, USA	
Targeted Polylysine Dendrimer Therapeutic Agent	11 August 2006 WO2008/017125	China, Europe, India, USA	
Macromolecules (Drug linkers)	6 June 2011 WO2012/167309	Australia, Brazil, Canada, China, Europe, Hong Kong, Japan, South Korea, USA	USA
Dendrimer Drug Conjugates (DEP-Insulin/GLP1)	6 June 2014 WO 2015/184510	Europe, India, USA	
Therapeutic Dendrimer (DEP-Cabazitaxel)	19 July 2018 WO2020/014750	USA	Australia, Canada, China, Europe, Japan, South Korea
Dendrimer for Therapy and Imaging (DEP-radiotheranostic)	29 November 2018 WO2020/107078	Australia, Japan	Canada, China, Europe, South Korea, USA
Therapeutic Dendrimer (DEP-Irinotecan)	20 November 2018 WO2020/102852	India	Australia, Canada, China, Europe, Japan, South Korea, USA
Therapeutic Dendrimer (DEP-GEM)	26 September 2019 WO2021/056077		Australia, Canada, China, Europe, Japan, South Korea, USA
Targeted Dendrimer Conjugates (DEP-targeted)	28 August 2019 WO2021/035310		Australia, Canada, China, Europe, Japan, South Korea, USA
Method of Prophylaxis of Coronavirus Infection	15 April 2020 WO/2021/207790	Australia, Singapore, Taiwan, United Kingdom	China, Europe, Hong Kong, Japan, Saudi Arabia, USA
Dendrimer-drug conjugates (Remdesivir)	31 August 2020 WO2022/040761		Europe, USA

Intellectual Property Report continued

Title	Priority date and publication number	Patents granted	Applications pending
Drug Delivery patent portfolio (includes DEP® patents) continued			
Targeted Dendrimer Therapy (Targeted DxD)	24 April 2024 PCT/AU2024/050397		International Patent Cooperation Treaty (PCT)
Targeted Dendrimer Conjugates (Targeted FAP/Multi-targeted)	26 March 2024 AU2024900811		Australia (provisional)
Targeting Agent-Dendrimer Conjugates (Combined Targeting Agent/PK Modifier)	26 March 2024 AU2024900816		Australia (provisional)

Starpharma actively protects its trademark rights with filings and registrations in key markets. The primary marks protected are STARPHARMA, VIVAGEL and VIRALEZE.

Corporate Directory

Company Name

Starpharma Holdings Limited
ABN 20 078 532 180

Directors

R B Thomas AO – *Chairman*

C Maley – *Chief Executive Officer and Managing Director*

D J McIntyre

L Cheng

J R Davies

R Basser

Company Secretary

Justin Cahill

Registered Office and Postal Address

4-6 Southampton Crescent
Abbotsford VIC 3067 Australia

Telephone +61 3 8532 2700

Share Register

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067

GPO Box 2975
Melbourne VIC 3001

1300 850 505 (within Australia)
+613 9415 4000 (outside Australia)
www.computershare.com

Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006 Australia

Solicitors

DLA Piper
80 Collins Street
Melbourne VIC 3000 Australia

Stock Exchange Listing

ASX Limited
Level 4, North Tower, Rialto,
525 Collins Street
Melbourne VIC 3000 Australia

ASX Code: SPL

Starpharma's American Depositary Receipts (ADRs) trade under the code SPHRY (CUSIP number 855563102). Each Starpharma ADR is equivalent to 10 ordinary shares of Starpharma as traded on the ASX. The Bank of New York Mellon is the depositary bank.

Starpharma's ADRs are listed on OTCQX International (www.otcmarkets.com), a premium market tier in the US for international exchange-listed companies operated by OTC Markets Group.

Website

www.starpharma.com

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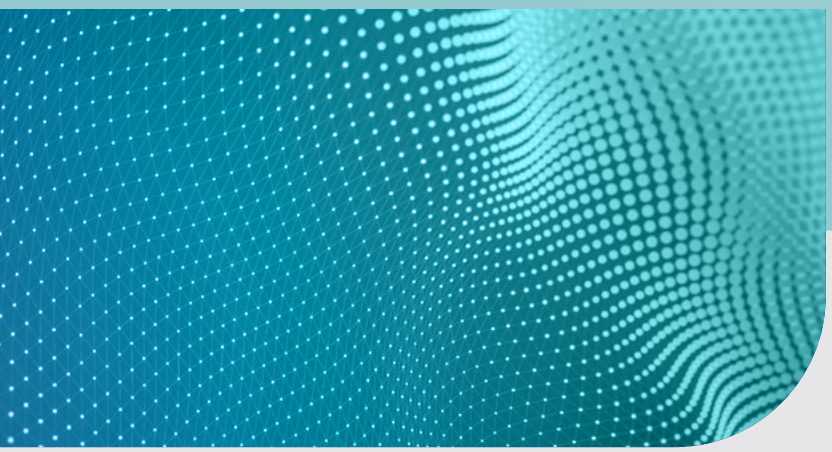

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