Appendix 4D
Half-Year Report for the period ended 31 December 2020

Company details

Name of entity:	PharmAust Limited
ABN:	**35 094 006 023**
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

Results for announcement to the Market

Financial Performance

PharmAust Limited – Consolidated			
(AUD 000')	**Half-year ended 31 Dec 2020**	**Half-year ended 31 Dec 2019**	**Movement %**
Revenue	1,104	1,756	(37%)
(Loss) before tax attributable to members	(832)	(485)	(72%)
(Loss) after tax attributable to members	(832)	(485)	(72%)

Review of Operations

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

Dividends

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

Net Tangible Asset Backing

	Half-year ended 31 Dec 2020		**Half-year ended 31 Dec 2019**
Net tangible asset backing	1.92 cents		1.64 cents

Entities Acquired and Disposed During the Period

There were no entities acquired or disposed of during the half-year period.

Audit Qualification or review

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

The Interim Report of PharmAust Limited for the half year ended 31 December 2020 is attached.

Signed in accordance with a resolution of Directors. On behalf of the Directors:

Sam Wright
Director

Signed at Perth this 26th day of February 2021

PHARMAUST LIMITED
ABN 35 094 006 023
AND ITS CONTROLLED ENTITIES

Interim Financial Report
for the half-year ended 31 December 2020

C O N T E N T S

The directors of PharmAust Limited submit the financial report of the consolidated entity for the half-year ended 31 December 2020.

DIRECTORS

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

Dr Roger Aston
Mr Neville Bassett AM
Mr Robert Bishop
Mr Sam Wright

RESULTS

The operating loss for the consolidated entity for the half-year ended 31 December 2020 was $832,375 (2019: $484,701).

PRINCIPAL ACTIVITIES

The principal continuing activities constituted by PharmAust Limited and the entities it controlled during the year were to develop its own drug discovery intellectual property for the treatment of different types of cancers, viral and neurological diseases, as well as providing highly specialised medicinal and synthetic chemistry services on a contract basis to clients.

REVIEW OF OPERATIONS

During the half-year, PharmAust successfully achieved several major milestones that have opened the path to clinical trials in 2021. PharmAust also further continued to build the contract sales and income activities of its wholly owned subsidiary, Epichem Pty Ltd.

Research and Development

Phase II Canine Trials

PharmAust has made significant progress in the clinical trials of its primary drug candidate, Monepantel (MPL).

As previously announced, in our recent phase II trial in canines with B-Cell Lymphoma, the most prevalent canine cancer, we observed both tumour regression as well as stable disease. The Company considered these data a sound platform to springboard into undertaking dose optimisation and eventually phase III registration studies.

During the half year, PharmAust was pleased to announce receipt of ethics approvals from the New South Wales Department of Primary Industry (DPI) and Queensland Department of Agriculture and Fisheries (DAF) to undertake a Phase IIb clinical trial in pet owners' dogs with cancer. Conduct of the trial in WA is covered under an ethics harmonization agreement with NSW.

This extension of the original Phase IIa trial is aimed at demonstrating high efficacy at reduced MPL plasma levels, as well as alleviating the inappetence observed in the previous trial iteration. The approvals cover recruitment at five sites in Sydney, Perth and Brisbane. Another two sites previously involved in the trial await approvals following reconvening of respective ethics committees.

PharmAust has undertaken detailed analysis of the trial data to understand drug blood level variation and importantly has developed a new dosing methodology that aims to achieve the lower drug blood levels of MPL that are associated with highest anticancer activity (≥ 60% reduction in cancer burden, with some cancer lesions disappearing). The trial continuation will involve the same duration and readouts, but just the dosing regimen will be modified.

Additional veterinarians participating in the trial are: Dr Catherine Chan at Veterinary Specialist Services in Brisbane and Dr Jessica Finlay at Perth Vet Specialists. MPL tablets have arrived at the participating clinics, recruitment of dogs has commenced, and several dogs have been successfully recruited and have started treatment with MPL tablets. Six dogs not eligible for the trial have commenced compassionate treatment with MPL tablets.

PharmAust's Chief Scientific Officer Dr Richard Mollard commented, "PharmAust is pleased to recommence this trial using MPL tablets to treat pet owner's dogs with B cell lymphoma. PharmAust has been testing two independent hypotheses: firstly, that MPL tablets could make cancer disappear and, secondly, that MPL tablets could stop cancer progressing (stable disease). In its human study, PharmAust had demonstrated that MPL liquid formulation stops cancer progressing. The recent set of trial results (announced 12 May 2020) using the MPL tablets exceeded expectations with the demonstration that MPL tablets can make certain cancer lesions disappear. This continuation into Phase IIb is designed to understand and optimise the dosing regimen that will maximise MPL's anticancer activity."

As data emerges, we plan to contact a wider group of leading global pharmaceutical companies to discuss veterinary collaborations and engage in discussions with them on identifying the optimal cancers to target commercially. Animal healthcare companies in the US and Germany have shown initial interest and approached PharmAust for discussions.

Phase II Human Cancer Trial

PharmAust continues to take key steps towards progressing the evaluation of MPL in human trials. The Company received confirmation that the MPL human trial paper was successfully published in a peer review journal describing the historic trial undertaken in Adelaide and the performance of MPL.

PharmAust has conducted further tablet formulation and pharmacokinetic studies aiming to increase uptake of MPL into the blood and reduce tablet numbers for future human trials.

During the half year, PharmAust announced the commencement of production of 10kg of GMP-grade MPL for research and development (R&D) purposes in two Phase 1/2 clinical trials in humans. These trials involve a Phase 1/2 clinical trial examining the effects of MPL in patients with motor neurone disease (MND), as well as a Phase 1/2 clinical trial examining the effects of MPL-tablets in humans with selected cancers. MPL will be manufactured in collaboration with Syngene International Ltd., an integrated research, development and manufacturing services company.

The Company is beginning to engage with leading global pharmaceutical companies to discuss human collaborations and engage in discussions with them on identifying the optimal cancers to target. PharmAust has identified suitable Clinical Oncology Units to evaluate the new MPL tablet in humans in a Phase II trial, as a follow on from the Phase I clinical trial undertaken at the Royal Adelaide Hospital in 2015. PharmAust will continue to look for further sites to broaden recruitment possibilities.

Previously, PharmAust demonstrated prevention of tumour progression and suppression of tumour cancer markers associated with the mTOR mechanism of action. The trial was stopped early, however, due to the highly unpalatable nature of the liquid formulation employed at the time. Since then PharmAust has successfully reformulated MPL into a tablet that resolves the palatability issues. Following successful preclinical work in rats and dogs comparing the liquid and tablet formulations, PharmAust can now tailor tablet dosage to achieve more effective target blood levels known to elicit anticancer activity.

PharmAust's wholly owned subsidiary Epichem Pty Ltd has conducted stability shelf-life tests of MPL over two years using feasibility batches manufactured according to the in-house method developed with Syngene. These initial non-GMP tests indicate that the Syngene MPL has demonstrated purity and stability levels compatible with that used in clinical trials. It is therefore anticipated that scaled API (active pharmaceutical ingredient) manufacture for the upcoming clinical R&D trials should demonstrate necessary shelf-life specifications.

Commencement of a human cancer Phase II trial is expected in Q1 CY 2022.

PharmAust & Olivia Newton-John Cancer Research Institute to Continue MPL Preclinical Investigations

PharmAust announced an agreed extension of work being conducted at the Olivia Newton-John Cancer Research Institute (ONJCRI) investigating the mechanism of action of MPL upon cancer cells.

As announced on 29 September 2020, researchers in the Cell Death and Survival Laboratory at the ONJCRI led by Associate Professor Doug Fairlie conducted a comprehensive RNA-Seq (RNA sequencing) screen investigating how the entire genome of cancer cells responds when treated with MPL. A select subset of genes was found to be either switched on or off by MPL in cancer cells, but not in non-cancer cells. The mRNA profiles of non-cancer cells were relatively unaffected by MPL treatment, consistent with the possible low level of toxicology observed for MPL.

Using state-of-the-art techniques, the ONJCRI researchers will now examine these genes in greater detail and match changes in their activity with changes in associated protein signalling pathways. These experiments are aimed at determining what happens within the cancer cell once MPL interacts with its primary molecular targets and then exerts its downstream and definitive anti-cancer activity. Establishing MPL's mechanism of action in this detail will enable differentiation of MPL's effects upon cancer cells as compared to other anti-cancer drugs, thus assisting with regulatory submissions and facilitating licensing and marketing as we move towards Phase III and IV trials.

The work to be conducted by the ONJCRI is being funded by PharmAust.

PharmAust's Chief Scientific Officer Dr Richard Mollard stated "PharmAust is pleased to continue this productive relationship with the ONJCRI. PharmAust is looking forward to seeing at the molecular level how MPL works in cells to combat disease, especially in terms of how MPL's mechanism of action differs to other mTOR inhibitors presently in the clinic."

COVID-19 Testing

Having undertaken our studies at the Walter and Elisa Hall Institute for Medical Research in Melbourne and then confirmatory work at 360biolabs Pty Ltd, which provides quality assured services in virology and immunology, we are confident that we are seeing meaningful anti-viral activity.

During the half year, PharmAust entered into a Service Agreement with researchers in the Netherlands to test the effects of MPL and MPL sulfone (MPLS) on the replication of SARS-CoV-2 in cell lines. The purpose is to determine their applicability for testing these compounds in ex-vivo human SARS-CoV-2 infection models (cultured human airway epithelial tissue/organoids). The studies have now commenced and the final data report is expected imminently. The work is being overseen by molecular virologist Professor Martijn van Hemert, Principal Investigator of Antiviral Drug Development at Leiden University Medical Center.

The coronavirus pandemic has been severely affecting global supply chains and consequently performing experiments in many parts of the world, including the Netherlands, has proven problematic. Tests using MPL and MPLS as Covid-19 antivirals, however, continue at Leiden University and PharmAust will be pleased to update the market when results come to hand.

The only anti-viral drug on the market currently approved for the treatment of COVID-19 infection is remdesivir (Gilead Science, Inc). Remdesivir is not a cure and in a clinically controlled trial it reduced time to recovery of hospitalised patients in intensive care from 15 to 11 days. With this success, early predictions were for annual sales of US$2-7.7 billion by 2022.

MPL may have a distinct advantage over many other drugs in development given that it has already been used in human clinical trials and is a very well-known drug with a high safety profile. Remdesivir is an intravenous therapy whereas MPL can be administered orally in tablet form. This means patients could be treated earlier when they first test positive rather than intensive care patients hospitalised with COVID-19.

PharmAust has prepared an Executive Summary, is preparing an Investigator's Brochure and has been engaging with clinicians about a Phase I trial in human patients to treat COVID-19.

Phase I/II Human Trial in Motor Neurone Disease

PharmAust previously announced it has received funding of A$881,085 for a Phase I trial examining the effects of MPL in Motor Neurone Disease (MND), otherwise known as Lou Gehrig's disease or Amyotrophic Lateral Sclerosis (ALS).

These funds have been granted by FightMND, the largest independent funder of MND research in Australia. The trial will be overseen by Dr Susan Mathers of Calvary Health Care, Bethlehem, Melbourne and will include a second trial site headed by Professor Dominic Rowe of the Centre for Motor Neurone Disease Research Faculty of Medicine and Health Research at Macquarie University in Sydney.

Preparations for the trial have already commenced and while remaining subject to approval from the Institutional Human Research Ethics Committees, Phase I trial recruitment will commence as soon as possible in CY 2021, likely to be Q4 after PharmAust has 3 months of tablet stability data. The funding agreement provides that PharmAust shall own all intellectual property generated from the study.

EPICHEM PTY LTD - 100% OWNED SUBSIDIARY

Providing specialised products and services to a worldwide customer-base, Epichem employs a large team of world-class PhD chemists committed to achieving outcomes for clients in the pharmaceutical, biotech, mining, agriculture, and animal health sectors. Epichem maintains a diverse catalogue of highly pure Reference Materials; including metabolites, impurities and degradants, and is recognised as the world leader in Phenylephrine impurities. All work is undertaken in our purpose-built laboratories in Australia. Epichem is certified to ISO9001 and accredited to ISO17025 and ISO17034 Standards.

Epichem has been delivering synthetic and medicinal chemistry services to the drug discovery and pharmaceutical industries worldwide since its inception in 2003. Epichem offers a range of rare and hard to find pharmaceutical impurities, degradants and metabolites of active ingredients and excipients, particularly for OTC and generic drugs.

Epichem continues to support the PharmAust drug development pipeline with lead drug development and validation, drug candidate pipeline manufacture and analysis, drug reformulation, GMP synthesis and stability support as well as drug inventory dispensing to clinical trial centres.

Epichem continues to pursue opportunities to create its own IP portfolio with the assignment of specific projects to individual chemists. This will also allow Epichem to maximise the R&D Tax Incentive as well as act as an R&D project incubator for PharmAust.

During the half year, Epichem entered into a HoA to develop and commercialise the biomass/feedstock oxidative process that can turn waste into fuels. The technology is a world-first because of its potential to turn a wide range of waste and biomass feedstock into valuable fuels, fine chemicals, agricultural growth stimulants and ethanol. The Company sees this as a low cost but high potential initiative in a very scalable and disruptive business that may have multiple uses and customers.

In December 2020, Epichem was awarded another one year extension to its current contract with Drugs for Neglected Diseases initiative (DNDi), extending that relationship to 13 years. The contract renewal will see Epichem continue to provide its synthetic and medicinal chemistry expertise to support DNDi's drug discovery projects, aimed at developing new treatments for neglected diseases, until 31st December 2021. The extension is expected to generate up to AUD$1.02M in revenues for Epichem during CY 2021.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Shareholders of PharmAust Limited was held on 5 November 2020. All resolutions that were put were passed by a poll.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

SUBSEQUENT EVENTS

Epichem was awarded a $200,000 WasteSorted e-Waste Grant from the Western Australian Government New Industries Fund in January 2021.

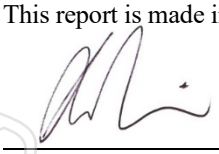
In February 2021, $510,475 in cash was received from DNDi for work completed during the half year. This balance was recorded as a receivable at 31 December 2020.

There have been no other significant events subsequent to the end of the reporting date.

AUDITOR'S INDEPENDENCE DECLARATION

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

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



Sam Wright
Director
Signed at Perth this 26th day of February 2021

General information

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

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

Registered office	**Principal place of business**
Suite 116/1 Kyle Way Claremont WA 6010	Suite 116/1 Kyle Way Claremont WA 6010

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2021.

PHARMAUST LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2020

	Note	Consolidated 31 December 2020 $	Consolidated 31 December 2019 $
Revenue	3	1,104,292	1,756,346
Other income	3	688,220	706,814
Total revenue		1,792,512	2,463,160
Raw material and consumables used		(96,035)	(123,252)
Research and development expenses		(378,303)	(493,939)
Share-based payment expense		(80,967)	(29,423)
Administration expenses		(537,856)	(700,929)
Employee benefits expense		(1,322,277)	(1,466,296)
Borrowing costs		(60,194)	(60,705)
Depreciation		(149,255)	(73,317)
Loss before income tax		(832,375)	(484,701)
Income tax expense		-	-
Loss for the period		(832,375)	(484,701)
Other comprehensive income		-	-
Total comprehensive loss for the period		(832,375)	(484,701)
Basic and diluted loss per share (cents per share)		(0.26)	(0.17)

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	Consolidated 31 December 2020 $	Consolidated 30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents		3,594,871	2,880,496
Trade and other receivables		239,505	297,683
Other current assets		217,197	34,359
Inventories		880,541	857,570
TOTAL CURRENT ASSETS		4,932,114	4,070,108
NON CURRENT ASSETS			
Plant and equipment		2,106,117	2,346,284
Right of use asset		1,425,678	1,222,433
Intangible assets		3,107,476	3,107,476
TOTAL NON CURRENT ASSETS		6,639,271	6,676,193
TOTAL ASSETS		11,571,385	10,746,301
CURRENT LIABILITIES			
Trade and other payables		658,614	557,001
Borrowings	4	71,692	179,230
Provisions		199,272	146,672
Lease liabilities		195,640	175,407
TOTAL CURRENT LIABILITIES		1,125,218	1,058,310
NON CURRENT LIABILITIES			
Borrowings	4	38,206	38,206
Provisions		-	44,507
Lease liabilities		1,094,620	1,079,008
TOTAL NON CURRENT LIABILITIES		1,132,826	1,161,721
TOTAL LIABILITIES		2,258,044	2,220,031
NET ASSETS		**9,313,341**	**8,526,270**
EQUITY			
Issued capital	6	55,328,413	53,772,433
Reserves	7	2,019,111	1,955,644
Accumulated losses		(48,034,183)	(47,201,807)
TOTAL EQUITY		**9,313,341**	**8,526,270**

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2020

	Issued Capital	Accumulated Losses	Share-Based Payment Reserve	Total
	$	$	$	$
As at 1 July 2019	**51,388,306**	**(45,839,818)**	**1,907,392**	**7,455,880**
Loss for the period	-	(484,701)	-	(484,701)
Total comprehensive loss for the period	**-**	(484,701)	**-**	(484,701)
Transactions with owners in their capacity as owners:				
Shares issued (net)	2,384,127	-	-	2,384,127
Share-based payments	-	-	29,423	29,423
As at 31 December 2019	**53,772,433**	**(46,324,519)**	**1,936,815**	**9,384,729**

	Issued Capital	Accumulated Losses	Share-Based Payment Reserve	Total
	$	$	$	$
As at 1 July 2020	**53,772,433**	**(47,201,808)**	**1,955,644**	**8,526,269**
Loss for the period	-	(832,375)	-	(832,375)
Total comprehensive loss for the period	**-**	(832,375)	-	(832,375)
Transactions with owners in their capacity as owners:				
Shares issued (net)	17,500	-	-	17,500
Share-based payments	-	-	63,467	63,467
Exercise of options (net of cost)	1,538,480	-	-	1,538,480
As at 31 December 2020	**55,328,413**	**(48,034,183)**	**2,019,111**	**9,313,341**

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2020

	Consolidated	
	31 December 2020 $	**31 December 2019 $**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,162,470	1,756,346
Payments to suppliers and employees	(2,430,575)	(3,134,065)
Interest received	14,043	9,089
Other income	674,177	-
Interest paid	(12,882)	(60,705)
Net cash used in operating activities	(592,767)	(1,429,335)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(34,702)	(6,723)
Net cash used in investing activities	(34,702)	(6,723)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued (net)	-	2,384,127
Net proceeds/(repayment) of borrowings	(107,538)	(71,332)
Repayment of lease liabilities	(89,098)	(44,807)
Share issue costs	(43,020)	-
Exercise of options	1,581,500	-
Net cash provided by financing activities	1,341,844	2,267,988
Net movement in cash held	714,375	831,930
Cash at beginning of the financial period	2,880,496	2,090,625
Cash at end of the financial period	3,594,871	2,922,555

The accompanying notes form part of these financial statements

PHARMAUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

2. SEGMENT INFORMATION

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

	Corporate	Pharmaceutical	Total
	$	$	$
31 December 2020			
Revenue			
External sales	-	1,121,542	1,121,542
Other external revenue	61,797	626,423	688,220
Total revenue	61,797	1,747,965	1,809,762
Inter-segment elimination			(17,250)
Total revenue			1,792,512
Results			
Segment net profit (loss) before tax	(1,093,100)	260,725	(832,375)
Interest income	13,035	1,008	14,043
Interest expense	-	(60,194)	(60,194)
Depreciation and amortisation	-	(149,255)	(149,255)
Segment assets			
Segment operating assets	3,553,469	8,017,916	11,571,385
Segment liabilities			
Segment operating liabilities	(494,633)	(1,763,411)	(2,258,044)

2. SEGMENT INFORMATION (continued)

	Corporate	Pharmaceutical	Total
	$	$	$
31 December 2019			
Revenue			
External sales	-	1,756,346	1,756,346
Other external revenue	636,323	70,491	706,814
Total revenue	636,323	1,826,837	2,463,160
Results			
Segment net profit (loss) before tax	(782,376)	297,675	(484,701)
Interest income	9,042	46	9,088
Interest expense	-	(60,705)	(60,705)
Depreciation and amortisation	-	(73,317)	(73,317)
Segment assets			
Segment operating assets	3,527,393	8,103,523	11,630,916
Segment liabilities			
Segment operating liabilities	(149,498)	(2,096,691)	(2,246,189)

		CONSOLIDATED	
		31 DECEMBER 2020	**31 DECEMBER 2019**
		$	**$**
3.	REVENUES		
	Revenue from contracts with customers		
	Sale of goods	175,771	195,143
	Rendering of services	928,521	1,561,203
		1,104,292	1,756,346
	Other revenue		
	Research and development tax incentive	-	712,647
	Interest income	14,043	9,089
	Other revenue	674,177	(14,922)
		688,220	706,814
	Timing of revenue recognition		
	Goods transferred at a point in time	175,771	195,143
	Services transferred over time	928,521	1,561,203
		1,104,292	1,756,346

		CONSOLIDATED	
		31 DECEMBER 2020	**30 JUNE 2020**
		$	**$**
4.	BORROWINGS		
	CURRENT		
	EFIC Loan Facility	71,692	179,230
		71,692	179,230
	NON CURRENT		
	EFIC Loan Facility	38,206	38,206
		38,206	38,206
	TOTAL	109,898	217,436

	CONSOLIDATED	
	31 DECEMBER 2020 $	**30 JUNE 2020 $**
5. RESERVES		
Share-Based Payment Reserve	2,019,111	1,955,644

2020	No. of Performance Rights	No. of Options	**Weighted Average Exercise Price $**	**Balance $**
At 1 July	4,000,000	15,500,000	0.13	1,955,644
Performance rights granted	1,000,000	-	-	11,173
Amortisation expense relates to prior year granted performance rights	-	-	-	52,294
Exercise of options	-	(14,575,000)	0.13	-
Expiration of options, unexercised	-	(625,000)	0.08	-
At 31 December	5,000,000	300,000	0.13	2,019,111

The weighted average remaining contractual life of options outstanding at year-end was 1.43 years (2019: 0.04 years).

	CONSOLIDATED			
	31 DECEMBER 2020 SHARES	**30 JUNE 2020 SHARES**	**31 DECEMBER 2020 $**	**30 JUNE 2020 $**
6. ISSUED CAPITAL				
Ordinary shares – fully paid	316,729,920	302,021,053	55,328,413	53,772,433

	Shares	Issue Price $	$
Movement in ordinary share capital			
At 1 July 2020	302,021,053		53,772,433
Exercise of options	4,375,000	0.08	350,000
Exercise of options	9,950,000	0.12	1,194,000
Exercise of options	250,000	0.15	37,500
Shares issued for employee bonus	133,867	0.13	17,500
Less capital raising costs	-	-	(43,020)
At 31 December 2020	316,729,920		55,328,413

7. DIVIDENDS

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

8. CONTINGENT LIABILITIES AND ASSETS

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

9. SUBSEQUENT EVENTS

Epichem was awarded at $200,000 WasteSorted e-Waste Grant from the Western Australian Government New Industries Fund in January 2021.

In February 2021, $510,475 in cash was received from DNDi for work completed during the half year. This balance was recorded as a receivable at 31 December 2020.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in the future financial years.

PHARMAUST LIMITED
DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Sam Wright
Director

Signed at Perth this 26th day of February 2021

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PHARMAUST LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PharmAust Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PharmAust Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 26 February 2021

TUTU PHONG
Partner

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of PharmAust Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 26 February 2021

TUTU PHONG
Partner