starpharma

ASX Announcement

Appendix 4E: Preliminary Financial Report

under ASX Listing Rule 4.3A

Current reporting period: Year ended 30 June 2023
Prior corresponding period: Year ended 30 June 2022

Results for announcement to the market

				$'000
Revenue from continuing operations *(Appendix 4E item 2.1)*	Down	14%	to	**$4,208**
Loss from continuing operations after tax attributable to members *(Appendix 4E item 2.2)*	Down *(decrease)*	3%	to	**$15,638**
Loss for the period attributable to members *(Appendix 4E item 2.3)*	Down *(decrease)*	3%	to	**$15,638**

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 $4,208,000 (2022: $4,899,000) for the year includes $2,938,000 for VIRALEZE™ and VivaGel® product sales, royalty, licensing revenue, and research revenue from commercial partners. Interest income on cash invested of $1,269,000 (2022: $217,000) is also included.

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 $15,638,000 (2022: $16,154,000) and includes research and product development expenses of $11,239,000 (2022: $11,680,000) 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 VIRALEZE™ post-market clinical study.

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.

Retained Earnings / 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 2023 is $0.08 (2022: $0.12).

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.

ASX Announcement

Starpharma annual report and full-year financial results

Melbourne, Australia; 24 August 2023: Starpharma (ASX: SPL, OTCQX: SPHRY) today releases its annual report and full-year financial results for the year ended 30 June 2023.

Financial Results

- Strong balance sheet with cash of $35.2 million at 30 June 2023. This excludes A$6.6M received from Mundipharma in August 2023, following the recent commercial settlement for VivaGel® BV.
- Reported loss down 3% to $15.6M (FY22: $16.2M).
- Revenue down 14% to $4.2M (FY22: $4.9M).
- Starpharma received a $7.1 million R&D tax incentive refund in December 2022, with an anticipated R&D tax incentive refund of $7.6 million expected in FY24.

Operational Highlights

- Expanded partnerships with multinational pharmaceutical companies MSD and Genentech, exploring the application of DEP® across several novel therapeutic modalities, including Antibody-Drug Conjugates (ADCs).
- Generated additional clinical data across our three clinical DEP® programs, including promising data for DEP® cabazitaxel in patients with advanced prostate cancer, which were presented at the European Society of Medical Oncology (ESMO) Congress in Paris.
- Completed recruitment of patients for all three in-house Phase 2 monotherapy clinical programs: DEP® cabazitaxel, DEP® docetaxel, and DEP® irinotecan.
- Launched VIRALEZE™ Antiviral Nasal Spray in Hong Kong and Macau through our partner Hengan Group, shortly after signing a new distribution agreement for these markets.
- Commenced a post-market clinical study of VIRALEZE™ in patients with COVID-19 in the UK. The study has recruited ahead of target with more than 90% of the target participants now enrolled.
- Advanced two new DEP® pipeline products which demonstrated the unique benefits of the DEP® platform in radiotheranostics and ADCs:
    - DEP® HER2-zirconium, a radiodiagnostic for HER2-positive cancers, such as breast cancer and gastric cancer; and
    - HER2-targeted DEP® SN38 ADC, a targeted ADC therapeutic, which outperformed leading ADC therapy Enhertu® in a HER2+ human ovarian cancer model.

Dr Jackie Fairley, Starpharma CEO, commented, “Starpharma made significant progress across its portfolio during the 2023 financial year. Across our three Phase 2 DEP® clinical programs, which have now completed recruitment in the monotherapy arms, we have seen encouraging efficacy signals and reductions in multiple clinically important side effects, compared to adverse events for conventional formulations of these drugs. Our trial clinicians continue to report improved patient experiences with DEP® therapies. We were pleased to present data from the prostate cancer cohort of the DEP® cabazitaxel trial at ESMO and look forward to releasing and presenting more data from our Phase 2 trials in Q3 CY23.

“We were delighted to expand our DEP® partnerships with leading, global companies, MSD and Genentech, adding new programs of work, which are progressing well. Our antiviral nasal spray, VIRALEZE™, was launched in Hong Kong and Macau, and new product registrations were achieved in Indonesia and Malaysia with further applications underway. Our post-market clinical study of VIRALEZE™ in people with COVID-19 is recruiting ahead of schedule, with more than 90% of participants enrolled and data expected soon after completion.

“Starpharma remains in a very strong financial position, with cash reserves of $35.2 million at 30 June 2023, and the subsequent receipt of A$6.6M in August 2023, from Mundipharma, following the signing of a settlement agreement related to VivaGel® BV.

"Looking ahead, we have a number of exciting milestones, including results from our DEP® oncology trials, multiple upcoming presentations at international oncology and radiotheranostics meetings, as well as results from our post-market VIRALEZE™ study. We also expect advances in our partner and preclinical DEP® programs, as well as for VIRALEZE™ and VivaGel® BV."

Key Activities

DEP® Drug Delivery Programs

Starpharma's Phase 2 clinical trial of DEP® cabazitaxel completed the enrolment and treatment of patients, with 76 participants enrolled. Encouraging efficacy signals following treatment with DEP® cabazitaxel have been observed, including significant tumour shrinkage and tumour biomarker reductions, in heavily pre-treated patients with advanced cancers, including prostate, ovarian, gastro-oesophageal, cholangiocarcinoma and head and neck cancer. In September 2022, Starpharma presented promising results from the prostate cancer cohort at the European Society of Medical Oncology (ESMO) Congress. Starpharma expects to report the Phase 2 results from this trial in Q3 CY23, with partnering discussions ongoing.

The Phase 2 monotherapy arm of the DEP® docetaxel trial also completed enrolment and treatment of patients. 50 patients were recruited and treated with DEP® docetaxel in the monotherapy arm, and encouraging efficacy signals, including prolonged stable disease and significant tumour shrinkage, have been observed in heavily pre-treated patients with multiple cancer types, including pancreatic cancer, gastro-oesophageal cancer, and cholangiocarcinoma. Starpharma expects to report the Phase 2 results from this trial in Q3 CY23, with partnering discussions ongoing.

Starpharma also completed patient enrolment in the monotherapy arm of the Phase 2 clinical trial of DEP® irinotecan, with 88 patients having been enrolled in the monotherapy arm. Encouraging results have been seen in patients with multiple cancer types, including colorectal, platinum-resistant ovarian, gastrointestinal, and breast cancer, with durable responses for up to 72 weeks. Starpharma also progressed the combination arms of the DEP® irinotecan (5-FU/leucovorin) and DEP® docetaxel (gemcitabine) Phase 2 trials, with final patient recruitment underway. The irinotecan plus 5-FU/leucovorin combination is a standard-of-care treatment regimen for colorectal cancer.

In parallel with completing these Phase 2 programs, Starpharma continued to build its pipeline of DEP® assets, advancing the development of two promising products in DEP® radiotheranostics and DEP® ADCs. In June 2023, Starpharma announced that DEP® HER2-zirconium, a HER2-targeted radiodiagnostic, demonstrated imaging benefits in a HER2+ breast cancer model. The demonstrated benefits included a favourable biodistribution profile, excellent imaging contrast between tumour and normal tissues, rapid uptake, and high levels of tumour accumulation.

In addition, Starpharma announced the development of a HER2-targeted DEP® SN38 ADC, which demonstrated significant anti-tumour activity and improved survival in a HER2-positive (HER2+) human ovarian cancer xenograft model, outperforming a leading HER2-ADC, Enhertu®.

Starpharma's partners include some of the world's largest pharmaceutical companies, such as MSD, Genentech, Chase Sun and AstraZeneca. During the financial year, Starpharma expanded its DEP® programs with MSD and Genentech to include new programs of work. Starpharma's partnered programs apply the Company's DEP® platform technology to several novel therapeutic modalities, including Antibody-Drug Conjugates. In late July 2023, AstraZeneca announced it had made the decision to discontinue the development of AZD0466, following an internal review of its haematology portfolio. AstraZeneca confirmed that the asymptomatic adverse events leading to this decision were not related to the dendrimer component of AZD0466. Starpharma's DEP® License Agreement with AstraZeneca remains in effect.

Starpharma maintains an active business development program for the DEP® platform, with commercial discussions underway in a number of areas, including DEP® radiotheranostics and DEP® ADCs. The recently released positive data in both these areas feed into these discussions and will be showcased at upcoming international conferences.

VIRALEZE™ Antiviral Nasal Spray

During the financial year, Starpharma's antiviral nasal spray, VIRALEZE™, was launched in new markets, including Hong Kong and Macau, through an extensive network of retail stores, online, and other channels. The launch followed the signing of a sales and distribution agreement with Hengan Group and was supported by marketing activities. Hengan is based in China, listed on the Hong Kong Stock Exchange, has an annual turnover of ~A$4.5 billion and employs ~23,000 staff.

Marketing of VIRALEZE™ continued in multiple jurisdictions, including Hong Kong, Macau, Vietnam, the UK, and Europe. During the year, Starpharma expanded its e-commerce channels in the UK, making VIRALEZE™ available through a dedicated product website and Amazon UK.

This year, Starpharma achieved registration for VIRALEZE™ in Malaysia and Indonesia, bringing the number of countries where VIRALEZE™ is registered to more than 35, and submitted regulatory applications in other jurisdictions. VIRALEZE™ is not approved for use or supply in Australia. The review by the Therapeutic Goods Agency (TGA) for the SPL7013 nasal spray as a medical device is ongoing.

Starpharma commenced a post-market clinical study of VIRALEZE™ in the UK in December 2022. The study will provide valuable clinical data on the antiviral performance of VIRALEZE™ in COVID-19-positive individuals. The study has recruited ahead of schedule, with more than 90% of participants enrolled to date.

Starpharma presented new data on the efficacy of VIRALEZE™ against SARS-CoV-2 omicron infection in an animal challenge model at the international virology conference Respi DART in December 2022. These data, which were generated at Scripps Research in the US, showed that VIRALEZE™ was able to eliminate the SARS-CoV-2 omicron virus by more than 99.99% in the lung and trachea of animals that were exposed to the virus, even when VIRALEZE™ was administered after exposure.

VivaGel® Portfolio

Starpharma's VivaGel® BV product continued to be marketed in multiple jurisdictions, including by Starpharma's partner Aspen in Australia and New Zealand. Marketing campaigns by partners to build brand awareness and sales are ongoing, including for consumer and professional healthcare audiences.

In August 2023, Starpharma announced it had negotiated a commercial settlement agreement with Mundipharma for VivaGel® BV, which included a A$6.6M cash payment to Starpharma. Under the agreement, Starpharma also regained all commercial rights to VivaGel® BV, enabling Starpharma to appoint new marketing partners, with commercial interest already expressed in the product. In the US, a formal dispute resolution process is ongoing with the Food and Drug Administration (FDA) for VivaGel® BV. As part of this process, Starpharma has received extensive external advice, met the FDA on multiple occasions, and made a number of submissions of data and analyses to the regulator. The Company is preparing to lodge a further submission to the FDA, including precedents of other FDA approvals, with the timing of lodgement governed by the publication and incorporation of relevant precedent information.

Starpharma's VivaGel® Condom continues to be marketed by Okamoto in Japan, with Okamoto also pursuing approvals in other Asian countries.

Corporate

Ms Zita Peach retired from the Board in November 2022 after 11 years. In February 2023, Starpharma welcomed medical oncologist and former senior executive Dr Russell Basser to the Board. Dr Basser has substantial expertise in international drug and vaccine development, having held multiple senior executive roles at CSL.

In April 2023, Mr Justin Cahill joined Starpharma as Chief Financial Officer (CFO) and Company Secretary. Mr Cahill has extensive corporate finance and leadership experience in the biopharmaceutical, food, and agricultural sectors with several private and ASX-listed companies, including CSL. In February 2023, Starpharma appointed Ms Tracy Weimar as interim Company Secretary.

In June 2023, Dr Jackie Fairley advised the Board of her intention to retire as CEO in 2024 after 17 years. A search process is underway and Dr Fairley, the Board, and the senior executive team are working closely to ensure a seamless transition.

Financials

Starpharma concluded FY23 in a strong financial position with a cash balance of $35.2 million. Net operating cash outflows for the year were $13.5 million (FY22: $13.2 million). This excludes A$6.6M received from Mundipharma in August 2023 following the recent commercial settlement for VivaGel® BV.

Revenue for FY23 was $4.2 million (FY22: $4.9 million), which included $2.9 million from VIRALEZE™ and VivaGel® product sales, royalties, licensing revenue, and research revenue from commercial partners, as well as interest income of $1.3 million.

The FY23 loss after tax continued to trend downwards to $15.6 million (FY22: $16.2 million). Expenditure included investment in research and product development associated with the internal DEP® drug delivery programs, including Starpharma's clinical-stage products, DEP® cabazitaxel, DEP® docetaxel, DEP® irinotecan, which have now largely completed recruitment, as well as DEP® ADCs, and DEP® radiotheranostics, and the post-market clinical study of VIRALEZE™.

Starpharma received a $7.1 million R&D tax incentive refund in December 2022, with an anticipated R&D tax incentive refund of $7.6 million expected in FY24.

About Starpharma

Starpharma Holdings Limited (ASX: SPL, OTCQX: SPHRY) is a world leader in dendrimer technology for medical applications. As an innovative Australian biopharmaceutical company, Starpharma is focussed on developing and commercialising novel therapeutic products that address significant global healthcare needs. Starpharma boasts a strong portfolio of products, partnerships, and intellectual property.

Starpharma's innovative technology is based on proprietary polymers called dendrimers, which are precise, synthetically manufactured, nanoscale molecules. The unique properties of dendrimers – including their size, structure, high degree of branching, polyvalency, and water solubility – are advantageous in medical and pharmaceutical applications.

Starpharma uses its dendrimer technology to develop novel therapeutics and to improve the performance of existing pharmaceuticals. Starpharma's portfolio includes multiple clinical-stage oncology products, which utilise its Dendrimer Enhanced Product ('DEP®') drug delivery technology, and marketed products, including VIRALEZE™ and VivaGel® BV, which utilise SPL7013, a proprietary dendrimer with antimicrobial properties.

Starpharma's DEP® drug delivery platform is being used to enhance the effectiveness of existing and novel therapies and to reduce drug-related toxicities through controlled and specified drug delivery.

In addition to Starpharma's internal DEP® programs, Starpharma has multiple DEP® partnerships with international biopharmaceutical companies, including AstraZeneca (oncology); MSD (Antibody-Drug Conjugates); Chase Sun (anti-infectives); and other world-leading pharmaceutical companies. Due to the broad applicability and optionality of Starpharma's DEP® platform, partnered DEP® programs have the potential to generate significant future milestones and royalties.

Starpharma's topical antiviral nasal spray, VIRALEZE™, is now registered in more than 35 countries*, including Europe, the UK, and Asia. Starpharma's novel non-antibiotic vaginal gel, VivaGel® BV, for the treatment of bacterial vaginosis (BV) and prevention of recurrent BV, is registered in more than 50 countries, including in the UK, Europe, Southeast Asia, South Africa, Australia and New Zealand.

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 Board of Directors.

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", "outlook", 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.

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Annual Report 2023

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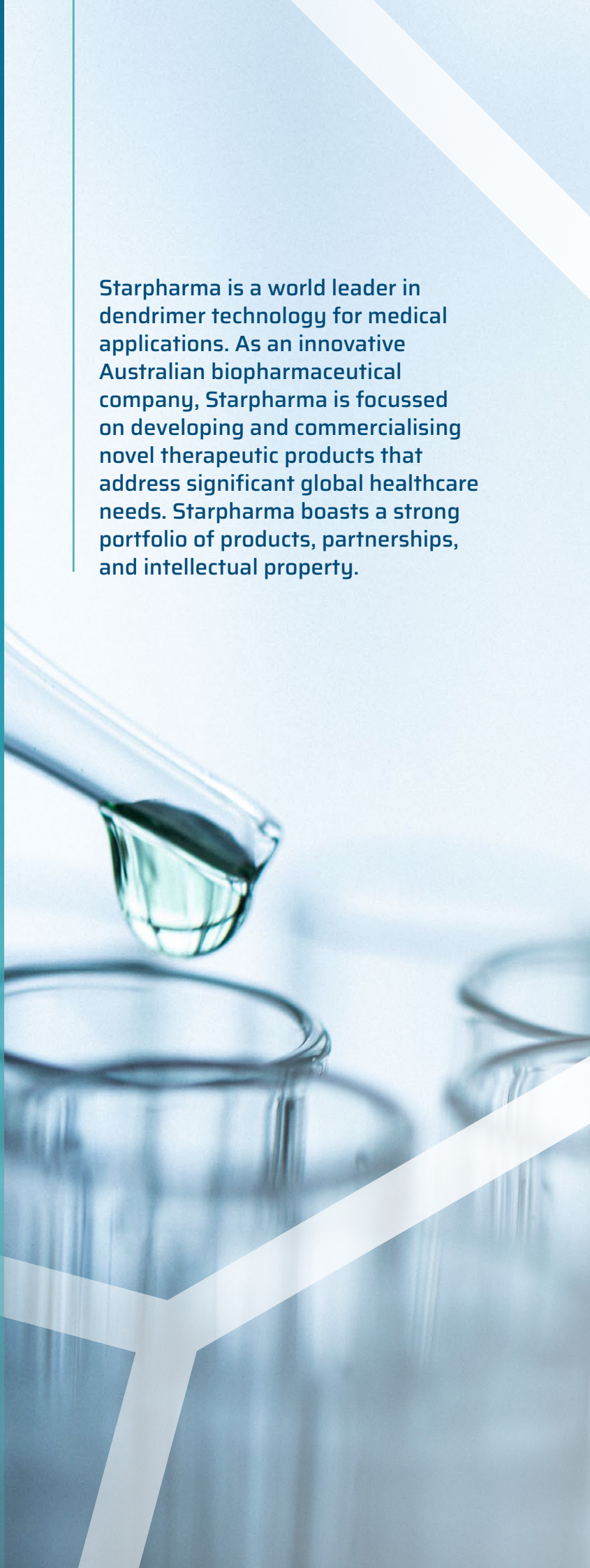


Highlights

Expanded partnership with multinational pharmaceutical company, MSD, to explore the anti-cancer properties of DEP® Antibody-Drug Conjugates.

Expanded partnership with leading biotech, Genentech, applying Starpharma's DEP® platform to a number of novel therapeutic modalities.

Presented promising new clinical data on DEP® cabazitaxel in patients with advanced prostate cancer at the 2022 European Society of Medical Oncology (ESMO) Congress.

Launched VIRALEZE™ antiviral nasal spray in Hong Kong and Macau through our new commercial partner, Hengan, shortly after entering a distribution agreement.

Commenced recruitment in the UK for a post-market clinical study of VIRALEZE™ nasal spray in patients with recently diagnosed COVID-19. The study has since recruited more than 90% of the target participants.

New registrations were achieved for VIRALEZE™ nasal spray in Indonesia and Malaysia, bringing the number of countries where VIRALEZE™ is registered to more than 35 globally.

Completed recruitment of patients for all three in-house Phase 2 monotherapy clinical trials: DEP® cabazitaxel, DEP® docetaxel, and DEP® irinotecan.

DEP® HER2-zirconium, a HER2-targeted radiodiagnostic developed by Starpharma, demonstrated imaging benefits in a HER2+ breast cancer model.

Newly developed internal DEP® Antibody-Drug Conjugate, HER2-targeted DEP® SN38, demonstrated significant anti-tumour activity in a HER2+ human ovarian cancer model.

Data on DEP® based AZD0466 presented by AstraZeneca at three international cancer research conferences, including impressive preclinical data in small cell lung cancer at the American Association for Cancer Research (AACR) Annual Meeting.

Experienced executive and oncologist Dr Russell Basser appointed to Starpharma's Board, and Justin Cahill appointed Chief Financial Officer and Company Secretary.

In recognition of Starpharma's positive workplace and company culture, **we were awarded Great Place to Work® certification.**

Received a $7.1 million research and development (R&D) tax incentive refund in December 2022.

Chairman's Report

Starpharma's dendrimer platform continues to demonstrate outstanding versatility and optionality across its internal and partnered programs.

Rob Thomas AO
Starpharma Chairman

On behalf of the Board of Directors, I am pleased to present Starpharma's 2023 Annual Report to fellow shareholders.

First, let me acknowledge the disappointing share price performance that has significantly impacted our shareholders. The biotechnology industry has been extraordinarily difficult globally and we have not been immune to these sector-wide pressures. Our share price suffered disproportionately following AstraZeneca's recent decision regarding the AZD0466 development. While such setbacks are not unexpected in our industry, AstraZeneca's decision did not relate to Starpharma's dendrimer platform and it has no impact on our other partnerships or internal DEP® programs. Notwithstanding this, the Board and management are very focused on improving shareholder returns. Assisting us in this endeavour is a strong cash position, further strengthened with the receipt of A$6.6 million from Mundipharma in August 2023. Starpharma's strong balance sheet position excludes any licensing transactions from either our own internal drug candidates or existing multiple global partnerships.

Underpinning Starpharma is our steadfast pursuit to improve patient health worldwide, with innovation driving our people and products. We remain committed to bringing high-quality healthcare products to patients and global markets, with a focus on cancer treatments.

Our Company prides itself on having a strong portfolio of high-calibre partnerships with multinational pharmaceutical companies, multiple oncology drugs under development, and several anti-infective products in the market. The importance of this portfolio approach is even more apparent with the recent developments.

During the 2022–23 financial year, we were delighted to expand our international presence, achieving new registrations and launches for our marketed products, VIRALEZE™ Antiviral Nasal Spray and VivaGel® BV.

Starpharma's dendrimer platform technology continues to demonstrate outstanding versatility and optionality, reflected in the diversity of our clinical programs and global partnerships.

Our dendrimer enhanced product ('DEP®') portfolio is strongly validated through our internal clinical programs and collaborative research with partners. Rethinking the science behind conventional chemotherapeutics and novel approaches to oncology, such as Antibody-Drug Conjugates and radiotheranostics, is central to what Starpharma's scientists aim for every day.

A key milestone achieved this year was the completion of the recruitment and treatment of patients for all three of our internal monotherapy clinical trials – DEP® cabazitaxel, DEP® docetaxel, and DEP® irinotecan.

We have already seen promising responses in patients across these trials, including longer progression-free survival, significant tumour shrinkage, and an improved safety profile compared to published data on the original formulations of these oncology drugs.

We were pleased to present additional interim results from the prostate cancer cohort of the Phase 2 DEP® cabazitaxel clinical trial at the European Society of Medical Oncology (ESMO) Congress in September 2022, and we expect to report top-line results for both the Phase 2 DEP® cabazitaxel and DEP® docetaxel (monotherapy) trials in Q3 CY23. We will also present our clinical results at upcoming international conferences.

Our Phase 2 clinical trials of DEP® docetaxel in combination with gemcitabine, and DEP® irinotecan in combination with 5–FU/leucovorin continue enrolling patients and are nearing completion.

Alongside these clinical advancements, we also reported exciting results for a DEP® radiodiagnostic imaging candidate and a new DEP® ADC candidate – both of which target the HER2 receptor that is prevalent in many cancers, particularly breast and gastric cancers.

Our DEP® partnerships with MSD, Genentech, Chase Sun, and AstraZeneca are also key drivers of Starpharma's DEP® portfolio.

AstraZeneca presented exciting clinical and nonclinical data on AZD0466 throughout the year at several international cancer research conferences, including in small cell lung cancer. Although AstraZeneca decided to discontinue the development of AZD0466, prompted by a small number of asymptomatic adverse events in haematological cancer trials, Starpharma's multi-product DEP® Licence Agreement with AstraZeneca remains on foot. We note that these events were unrelated to Starpharma's dendrimer drug delivery technology. Interest in our dendrimer platform continues unabated.

Starpharma's DEP®-related collaborations with MSD and Genentech involve researching and developing dendrimer-drug candidates, including oncology therapeutics and ADCs. Our current programs with these companies were expanded during the year.

As with our internal programs, the versatility and breadth of application of our dendrimer technology platform are invaluable for our partners.

And our impact does not stop at oncology. Over the past year, we have continued to increase the global footprint of our proprietary anti-infective dendrimer 'SPL7013' through new registrations and product launches. VIRALEZE™, an antiviral nasal spray for respiratory viruses, is now registered in more than 35 countries; and VivaGel® BV, a non-antibiotic gel for the treatment and prevention of bacterial vaginosis, is registered in more than 50 countries. VivaGel® BV is an Australian innovation that has the potential to reduce antibiotic use.

Revenue growth for these consumer products has yet to reflect the significant number of countries where they are registered; however, correcting this imbalance will be of particular focus going forward.

Starpharma continued progressing with its Environmental, Social and Governance (ESG) principles and framework this year, guided by our genuine commitment to products and patient health, minimising our impact on the environment, supporting our people, and operating with good governance. Our ESG framework is based on our shared core values of teamwork, superior performance, innovation, integrity, and accountability. Our ESG Report 2023 has been released in parallel with our Annual Report and we encourage shareholders to review it.

Our company prides itself on having a deep portfolio of leading partnerships with global pharmaceutical companies, multiple oncology drugs under development, and several anti-infective products in the market.

In recognition of our team's positive workplace and company culture, we were delighted to achieve Great Place to Work® certification for the 2022–23 period.

We welcomed Dr Russell Basser to our Board as a non-executive director and thanked Ms Zita Peach, non-executive director, for her service at last year's annual shareholder meeting in November 2022. Zita made an outstanding contribution to the board over 11 years.

We also welcomed Mr Justin Cahill as Chief Financial Officer and Company Secretary in April 2023, after Mr Nigel Baade stepped down from the role in early 2023. We thank Nigel for his dedication to Starpharma over 17 years.

Our Chief Executive Officer, Dr Jackie Fairley, announced her intention to retire in 2024 after 17 years with the Company. I would like to sincerely thank Jackie, on behalf of the Board, for her vision, leadership, drive, and immense contribution throughout her time with Starpharma. Under her leadership and guidance, we have built a mature organisation with a strong portfolio of products, multiple global partnerships, clinical and pre-clinical assets, and deep intellectual property. Jackie will continue in the role until a successor is ready to commence – ensuring leadership and continuity over the transition period.

This year has clearly been challenging and I thank all of our staff and our Board for their commitment. We look forward to 2024 and the milestones ahead including results from our multiple oncology products, expanding portfolio of commercial partnerships, and revenue growth.

Finally, on behalf of the Board, I would like to sincerely thank all our shareholders for their patience, the participants in our trials, our customers, and our business partners.

Starpharma remains resolutely focused on our pursuit of innovation to create a brighter and healthier future for individuals and communities worldwide.

Rob Thomas AO
Starpharma Chairman

Chief Executive Officer's Report

Starpharma remains in a very strong position with a wide range of valuable assets, multiple global pharmaceutical partnerships, and a strong cash balance.

Dr Jackie Fairley
Chief Executive Officer

Starpharma made significant progress across its portfolio during the 2023 financial year. The Company remains in a very strong position with a wide range of valuable assets and multiple global pharmaceutical partnerships. Starpharma boasts a substantial cash reserve of $35.2 million (as at 30 June 2023), ensuring funding to drive forward our product development and commercialisation strategies.

Our team has remained steadfast and demonstrated an unwavering commitment to developing medical products that positively impact people's lives.

Our dendrimer platform is the cornerstone of all our products and programs, including both the DEP® drug delivery and anti-infective portfolios. We utilise this technology to create and market novel products that benefit patients, healthcare professionals, commercial partners and shareholders.

Starpharma's DEP® platform is a dendrimer-based drug delivery technology that enhances the efficacy, safety and targeted delivery of various pharmaceuticals. The technology provides significant optionality and immense potential to improve treatments, particularly in cancer, by optimising drug properties and enabling targeted therapy.

During FY23, our three internally developed clinical-stage DEP® assets made significant progress, with the monotherapy components now complete for all three products. Across our clinical programs, we have seen encouraging indications of efficacy and decreases in key side effects compared to reported adverse events for conventional formulations of the drugs upon which our products are based. For instance, our DEP® cabazitaxel treatment resulted in a longer progression-free survival (PFS) by ~30%, as well as substantial reductions in problematic side effects, such as myelosuppression, compared to published data on Jevtana®.

DEP® irinotecan also showed significant advantages in both the monotherapy and combination cohorts. Clinical investigators from multiple sites have expressed how impressed they are with Starpharma's DEP® formulation, which they found to offer better tolerability and fewer severe side effects in patients, compared to the experience with standard irinotecan.

In all three trials, we observed encouraging efficacy results in treating patients with a range of cancer types, including prostate, ovarian, and breast cancers. Typically, patients who underwent treatment in these trials were very heavily pre-treated and progressed following several previous treatments.

Starpharma expects to report results from the DEP® cabazitaxel and DEP® docetaxel monotherapy Phase 2 trials in Q3 CY23. While finalising the enrolment, treatment and analyses of clinical trial results, we are also engaging in commercial partnership discussions for our three DEP® products consistent with Starpharma's DEP® commercialisation strategy.

Partnerships are a key part of Starpharma's strategy, and we were delighted with the progress achieved this financial year. Our collaborations with major pharmaceutical companies, including MSD, Genentech, Chase Sun, and AstraZeneca, typically involve research, funding and knowledge

sharing to develop dendrimer-based pharmaceuticals in a number of areas, including oncology and Antibody-Drug Conjugates (ADCs). Having these partnerships with some of the world's largest pharmaceutical companies is a testament to the high regard for and value of our DEP® technology.

We were delighted to expand our partnered DEP® programs with both MSD and Genentech during the financial year, adding new programs of work, which continue to progress well.

Disappointingly, AstraZeneca recently advised us of its decision to discontinue the development of AZD0466, following an internal review of a small number of asymptomatic adverse events reported in its two clinical trials evaluating AZD0466 in haematological indications.

Importantly, these adverse events were unrelated to Starpharma's dendrimer technology and were isolated to the three highest dose groups in the trials, remembering the DEP® technology was needed for this product due to the inherent toxicity of the original, non-dendrimer version of the BCL-2/xL inhibitor. Starpharma's multi-product DEP® Licence Agreement with AstraZeneca remains in effect and the Company looks forward to an ongoing and positive relationship with AstraZeneca.

The Phase 2 trial of DEP® irinotecan showed significant advancements.

Clinical investigators from multiple sites have expressed how impressed they are with Starpharma's DEP® formulation.

We have also made great strides in our in-house research and development programs for radiotheranostics and ADCs. We were excited to announce key data for two new DEP® candidates: DEP® HER2–zirconium, a DEP® HER2–targeted radiodiagnostic candidate and a HER2–targeted DEP® SN38 ADC. Both have shown excellent performance in preclinical models, further demonstrating the broad utility and widespread benefits of our DEP® technology. Both candidates provide a compelling rationale for further development in these exciting areas.

As well as its encouraging results across multiple oncology approaches, including chemotherapeutics, ADCs and radiotheranostics, Starpharma's DEP® platform has demonstrated versatile applicability in non-oncology molecules such as anti-infectives. The Company has a deep intellectual property portfolio and continues to expand the applications of its dendrimer platform and create new product candidates. Our recent progress in ADCs and radiotheranostics is a testament to this strategy.

While continuing to advance our DEP® portfolio, Starpharma is also pursuing further product registrations and marketing partnerships for our anti-infective products – including VIRALEZE™ Antiviral Nasal Spray and VivaGel® BV.

Over the past financial year, VIRALEZE™ has launched in Hong Kong and Macau, and new registrations have been obtained in Indonesia and Malaysia. A post-market clinical study commenced and is currently evaluating the antiviral performance of VIRALEZE™ in people with COVID-19. The study is progressing ahead of schedule, with more than 90% of participants enrolled to date.

> Partnerships are a key part of Starpharma's strategy, and we were delighted with the progress achieved this financial year.

We continue working with our VIRALEZE™ and VivaGel® BV partners to increase brand awareness and sales in their respective regions. We were pleased to receive A$6.6 million from Mundipharma in August 2023, as part of a VivaGel® BV settlement agreement.

Having announced my intention to retire in 2024, this will be my last Annual Report with Starpharma. I would like to take this opportunity to thank our shareholders, the Executive team, our Chair, Rob Thomas, my fellow Directors, and all our dedicated staff for their support throughout my time as CEO. I am extremely proud of the products we have developed together at Starpharma, which have had a positive impact on many patients' lives. I believe the Company's programs and commercial partnerships will continue to thrive and deliver significant outcomes for patients and commercial returns for all stakeholders into the future.

Looking ahead, we have several significant catalysts on the horizon. These include results and presentations from our oncology trials and the post-market clinical study of VIRALEZE™. Along with these results, we are also anticipating a number of advances and milestones in our partner programs.

Starpharma's highly skilled and motivated team is well-placed to capitalise on these upcoming catalysts, as we advance our current clinical assets and commercial partnerships.

The Company's future is extremely bright and full of exciting opportunities.

Thank you, and I trust you will enjoy reading about Starpharma's progress in this report.

Dr Jackie Fairley
Chief Executive Officer

Enhancing Global Healthcare with Improved Medicines

Our Portfolio

Starpharma's technology is based on dendrimers, which are highly customisable and precisely engineered polymers that can be tailored for a wide range of applications across pharmaceuticals and medical products to achieve novel solutions and better therapeutic outcomes for patients.

Dendrimer

Developers of products, clinicians and patients seek therapies and medical products that are more effective, less toxic, more precisely targeted, and better tolerated.

Starpharma's dendrimers possess unique characteristics such as their flexible size, highly branched structure, polyvalency, stability, and water solubility, which can be used to create more precise therapies using existing or novel drugs and an array of targeting agents, leading to products with highly beneficial outcomes in medical and pharmaceutical applications.

By leveraging our proprietary dendrimer technology, Starpharma strives to create innovative healthcare solutions that are both commercially attractive and beneficial to patients and healthcare providers.

Starpharma invests in R&D to advance and develop commercial applications of its dendrimer technology and novel products. In parallel, the Company collaborates with global pharmaceutical companies to develop and commercialise products that utilise its dendrimer technology in return for licensing income and research funding. These collaborations also involve leveraging joint research and sharing of knowledge and expertise.

DEP® pipeline

Products	Target indication	Preclinical	Phase 1	Phase 2
DEP® cabazitaxel	Prostate and other cancers	Phase 2 complete		
DEP® irinotecan	Colorectal and other cancers	Phase 2 monotherapy complete		
DEP® docetaxel	Pancreatic and other cancers	Phase 2 monotherapy complete		
DEP® gemcitabine	Solid cancers			
DEP® HER-2 ADC	Solid cancers			
DEP® HER-2 radiotherapy	Solid cancers			
DEP® HER-2 radiodiagnostic	Diagnostic			
Partnerships	Various		MSD, AstraZeneca	Genentech, 红日药业 CHASE SUN

Commercialised products

VIRALEZE™ Antiviral Nasal Spray

VivaGel® BV

VivaGel® Condom

Rethinking the Science Behind Oncology Treatments

DEP® Drug Delivery Platform

Starpharma has developed a unique and valuable delivery platform known as DEP® (Dendrimer Enhanced Product), which utilises dendrimers to improve the effectiveness and safety of conventional and new drugs. DEP® has been widely applied in oncology, but also has application to other classes of drugs, such as anti-infectives and antivirals. DEP® opens new possibilities for more controlled and precisely targeted drug delivery, increasing therapeutic and commercial opportunities and creating significant optionality. Additionally, the use of DEP® technology can create new intellectual property and an extended patent life for value-added versions of existing drugs.

Benefits of our DEP® Platform

Starpharma's DEP® technology is highly versatile and flexible in application, enabling the Company to target a wide range of therapeutic modalities, including small molecules, peptides, proteins, and nucleic acids, such as mRNA.

Internal DEP® Programs

Starpharma has developed an impressive pipeline of novel DEP® oncology assets. Its clinical-stage assets: DEP® cabazitaxel, DEP® docetaxel and DEP® irinotecan, are improved versions of commonly used chemotherapeutic drugs that have demonstrated improved anti-cancer effects and safety profiles. Additionally, Starpharma has a promising preclinical pipeline including DEP® Antibody-Drug Conjugates (ADCs) and DEP® radiotheranostic products.

"We have made significant progress in our DEP® clinical programs this year, completing recruitment in the monotherapy arms of all three in-house clinical trials. The oncologists involved in these studies continue to provide positive feedback, and the interim results are highly encouraging. We developed these products to improve the performance of available drugs and demonstrate the benefits of our dendrimer platform. We look forward to releasing more data from our Phase 2 DEP® trials."

Dr Jeremy Paull, Vice President of Development and Regulatory Affairs

Improved Safety/Reduced Side Effects

Control release kinetics of drug to reduce Cmax related toxicities

Improved Efficacy/Performance

DEP® achieves drug targeting, improved PK and controlled release

New IP/Extended Patent Life

DEP® creates new intellectual property and extends patent life

Tumour Targeting

DEP® delivers 40–70× more drug in tumour cf. the original drug

Improved PK and Half-Life

Tuning of drug release and plasma half-life to improve performance

Improved Solubility

Highly water-soluble, removing the need for toxic excipients

Broad Applicability

Applicable to a wide range of therapeutic areas and treatment modalities (e.g., radiotheranostics, ADCS); DEP® is potentially applicable to ~70% of the top 200 pharmaceuticals (by sales)

Rethinking the Science Behind Oncology Treatments continued

Clinical DEP® Programs

DEP® cabazitaxel

DEP® cabazitaxel is a patented nanoparticle formulation of the drug cabazitaxel, which is commonly used to treat prostate cancer under the tradename Jevtana®. Unlike conventional cabazitaxel, DEP® cabazitaxel is highly water-soluble and does not contain toxic excipients that can cause anaphylaxis, so patients do not need to be pre-medicated with steroids or antihistamines when using DEP® cabazitaxel.

30%+

DEP® cabazitaxel showed 30% longer progression-free survival and a lower incidence of side effects than standard cabazitaxel in prostate cancer patients.

Starpharma completed recruitment and patient treatment for the Phase 2 clinical trial of DEP® cabazitaxel during the financial year. 76 patients participated in the Phase 2 DEP® cabazitaxel trial, receiving treatment at leading oncology units in the UK and Australia.

Starpharma presented its preliminary findings from the prostate cancer cohort of the Phase 2 trial of DEP® cabazitaxel at the European Society of Medical Oncology (ESMO) Congress in September 2022. The preliminary findings indicated several benefits for patients with metastatic castration-resistant prostate cancer (mCRPC), including longer progression-free survival (PFS) and reduced incidence of key side effects compared to conventional cabazitaxel (Jevtana®).

DEP® cabazitaxel demonstrated a median PFS of 3.9 months, over 30% longer than the reported 2.9 months for standard cabazitaxel. Additionally, mCRPC patients who received DEP® cabazitaxel had a significantly lower incidence of severe (Grade 3 or 4) treatment-related adverse events (7.5%) compared to published data on standard cabazitaxel (39.7%). None of the DEP® cabazitaxel treated mCRPC patients experienced severe hypersensitivity reactions, and steroid pre-medication was not required, unlike standard cabazitaxel. Only two DEP® cabazitaxel mCRPC patients needed prophylactic G-CSF, which is commonly necessary for prostate cancer patients treated with Jevtana®. The key efficacy and safety measures are reported in the adjacent table.

The Starpharma team and its specialist clinical research organisation (CRO) are finalising the patient data set and quality control procedures. The Company anticipates reporting top-line results from the Phase 2 clinical trial in Q3 CY23, subject to final data verification and review. In parallel, Starpharma is also engaged in licensing activities and discussions with potential commercial partners for DEP® cabazitaxel.

Key interim efficacy and safety findings for DEP® cabazitaxel in prostate cancer, compared with published Jevtana®[1] data		DEP® cabazitaxel (20 mg/m²)	Jevtana®[1†*] (20 mg/m²)
Key efficacy measures	Longer progression-free survival (PFS) (median)	**3.9 months**	2.9 months
	PSA Reduction ≥ 50%	**52.4%**	29.5%
	Partial Response[#]	**18.2%**	18.5%
	Improved/stable Bone Disease	**83.3%**	Not reported
Key safety measures	Fewer grade 3/4 Treatment-Related Adverse Events	**7.5%**	39.7%
	Less neutropenia ≥ Grade 3	**16.0%**	41.8%

PFS = Composite endpoint from date of randomisation to date of first tumour progression, PSA progression, or death. Note that the Jevtana® studies also included pain progression.

DEP® cabazitaxel N=25; Jevtana® N=580

1. Eisenberger et al., PROSELICA. J Clin Oncol, 2017, 35(28):3198–206.

Partial Response: ≥30% reduction in measurable target tumour size.

* Intent-to-treat population.

† Safety population (received at least one dose).

DEP® docetaxel

DEP® docetaxel is a patented, dendrimer nanoparticle version of the anti-cancer drug, docetaxel, which is marketed as Taxotere®. Docetaxel is widely used to treat breast cancer, non-small cell lung cancer, and prostate cancer. It is prescribed despite carrying a US FDA "Black box" warning for severe neutropenia and severe hypersensitivity reactions, including anaphylaxis, resulting from the detergent polysorbate 80, used in its formulation.

In contrast, Starpharma's DEP® docetaxel is water-soluble and detergent-free. This formulation helps to avoid hypersensitivity reactions, including anaphylaxis that occur with the marketed formulation. Because it does not contain the detergent polysorbate 80, patients undergoing DEP® docetaxel treatment do not need to be pre-medicated with steroids or antihistamines.

Starpharma's DEP® docetaxel clinical program includes a monotherapy arm and two combination arms. The Company completed enrolling and treating patients in the monotherapy arm during FY23, with a total of 50 patients having participated in this arm.The combination arms comprise the completed DEP® docetaxel plus nintedanib arm for lung cancer and the ongoing DEP® docetaxel plus gemcitabine arm, which is currently focused on pancreatic cancer.

During the trial, encouraging efficacy signals have been observed in patients with pancreatic cancer, gastro-oesophageal cancer, and cholangiocarcinoma, including prolonged stable disease and significant tumour shrinkage. It is worth noting that patients in this trial had limited treatment options having already undergone multiple failed treatments, including taxanes.

Patients treated with DEP® docetaxel did not experience any hypersensitivity reactions, including anaphylaxis. Furthermore, compared with conventional docetaxel, there have been notably fewer common side effects, such as hair loss, mouth ulcers, and oedema. Bone marrow toxicity, specifically neutropenia, was also less frequent and less severe.

Severe hypersensitivity/anaphylaxis and neutropenia are serious toxicities associated with conventional docetaxel – both of which can be dose-limiting and potentially fatal.

Starpharma is continuing final patient recruitment for the DEP® docetaxel and gemcitabine combination arm, and the Company anticipates releasing the Phase 2 DEP® docetaxel monotherapy data in Q3 CY23. In parallel, Starpharma is involved in licensing discussions and activities for DEP® docetaxel along with our other two clinical oncology products, DEP® cabazitaxel and DEP® irinotecan.

Rethinking the Science Behind Oncology Treatments continued

DEP® irinotecan

DEP® irinotecan is a patented nanoparticle formulation of SN38, the biologically active metabolite of the drug irinotecan, which is widely used in cancer therapy, especially in colorectal cancer, and marketed as Camptosar®. Unlike conventional irinotecan, DEP® irinotecan does not require metabolic conversion in the liver, which can lead to variable clinical efficacy and toxicity among patients, including gastrointestinal complications such as nausea, vomiting, and severe diarrhoea. By eliminating the need for metabolic conversion, DEP® irinotecan allows for direct dosing of SN38 and avoids these gastrointestinal adverse effects.

In the June 2023 quarter, Starpharma completed enrolment for the Phase 2 monotherapy clinical trial of DEP® irinotecan, with 88 patients having participated in the monotherapy arm. In addition to monotherapy, the DEP® irinotecan trial includes a combination arm utilising DEP® irinotecan plus 5-FU/leucovorin, similar to the 'FOLFIRI' treatment for advanced bowel and gastric cancers. Patient recruitment is ongoing and progressing well for the combination arm.

Encouraging efficacy signals have been observed in multiple tumour types with DEP® irinotecan, including colorectal, platinum-resistant ovarian, gastrointestinal, and breast, and in heavily pre-treated patients, some of whom have failed to respond to previous treatment with standard irinotecan.

Additionally, DEP® irinotecan has demonstrated a significantly better tolerability profile compared to published data on conventional irinotecan. Approximately 20–40% of patients treated with conventional irinotecan experience severe, debilitating diarrhoea (seven or more bowel movements per day), frequently leading to hospitalisation. However, during treatment with DEP® irinotecan, there have been no reports of severe diarrhoea and clinicians report very good tolerability in their patients.

"I am impressed with the data on Starpharma's novel dendrimer formulation of the irinotecan active metabolite, SN38. In our patients, DEP® irinotecan has shown excellent tolerability and very encouraging efficacy. Compared to conventional irinotecan, tolerability for DEP® irinotecan is much improved. Based on the trial data, I believe DEP® irinotecan represents a well-tolerated and promising treatment alternative for patients with colorectal cancer, and potentially others, including platinum-resistant ovarian cancer."

Dr Natalie Cook, Principal Investigator, a Senior Lecturer in Experimental Cancer Medicine and Honorary Consultant in Medical Oncology at the University of Manchester and Christie Hospital in Manchester, UK

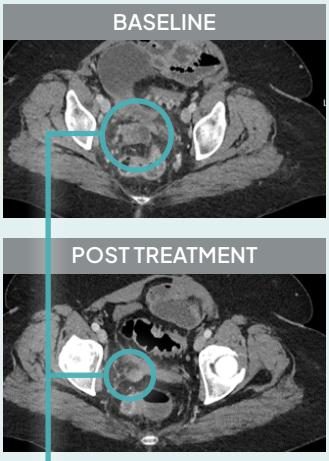
Patient case study: 71-year-old woman with heavily pre-treated, advanced, platinum-resistant ovarian cancer.

The patient's cancer had progressed before enrolment in the DEP® irinotecan study, following extensive surgery and 39 treatment cycles with five different anti-cancer therapies.

The patient's cancer was resistant to platinum therapy with multiple metastases, including in the liver.

Following treatment with DEP® irinotecan, the patient achieved the following responses:

- ~60% reduction (partial response) in combined size of all tumour lesions after eight cycles of treatment.
- Up to 52% reduction in tumour biomarkers.



55% reduction in the size of tumour lesion following treatment with DEP® irinotecan.

Ovarian cancer is a common cancer with a low five-year survival rate of only ~17% for advanced cases.

DEP® Pipeline

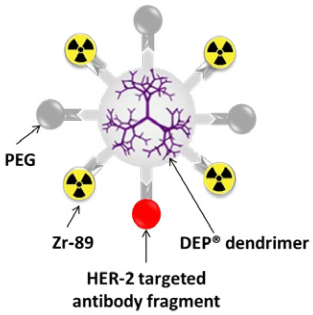
In addition to its three clinical-stage DEP® products, Starpharma is also developing new DEP® therapies in research areas like radiotheranostics and Antibody-Drug Conjugates (ADCs). In FY23, Starpharma presented preclinical data from two studies that demonstrate the advantages of using its DEP® technology in these fields.

DEP® HER2–zirconium shows radio imaging benefits

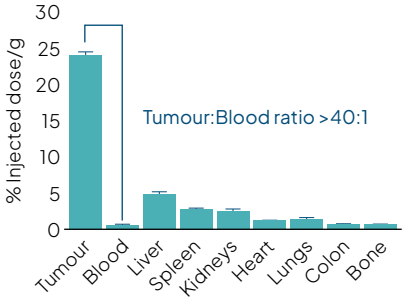
DEP® HER2–zirconium is a radiodiagnostic product that belongs to the rapidly growing "radiotheranostic" category – which includes both radiodiagnostic and radiotherapeutic products. DEP® HER2–zirconium is designed to specifically diagnose, stage, and monitor HER2+ cancers with greater sensitivity, meaning patients suffering from these cancers could be diagnosed earlier, more accurately, and monitored more closely during cancer treatment.

In July 2023, the Company reported results from a study where DEP® HER2–zirconium demonstrated imaging benefits in a HER2+ breast cancer model, including a favourable biodistribution profile, with excellent imaging contrast between tumour and normal tissues.

These study results are promising as they confirm the optimised binding properties of DEP® HER2–zirconium for targeted delivery and preferential uptake by cancer cells and support a precision medicine approach for cancer patients. The combined effect of the novel pharmacological properties of DEP® HER2–zirconium gives it an advantage in promoting selective tumour cell entry and supports its targeted delivery mechanism to tumour cells, leaving normal cells relatively untouched.



Preferential tumour accumulation of DEP® HER2–zirconium



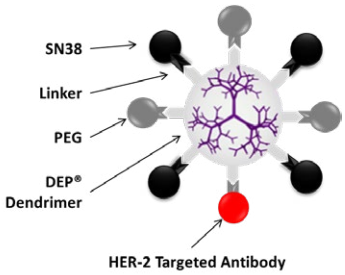
"Translated clinically, this DEP® technology has the potential to detect cancer cells at very low levels and better guide therapeutic decisions at earlier stages and at levels that were previously undetectable by current radiological methods. This has several advantages, including dose optimisation and better identifying the minimal dose level for an efficacious response, thereby minimising toxicity and promoting the quality of life and care of cancer patients undergoing therapy."

Dr Paul Wabnitz (MD, FRACP), Clinical Pharmacology and Oncology Specialist

Rethinking the Science Behind Oncology Treatments continued

HER2–targeted DEP® ADC demonstrates significant anti-tumour activity in an ovarian cancer model

HER2–targeted DEP® SN38 ADC is a DEP® ADC utilising SN38 that targets the HER2 receptor. Starpharma presented new preclinical data for this candidate during FY23 showing notable anti-tumour activity and enhanced survival rates compared to the marketed ADC product Enhertu® in a HER2+ human ovarian cancer xenograft model.

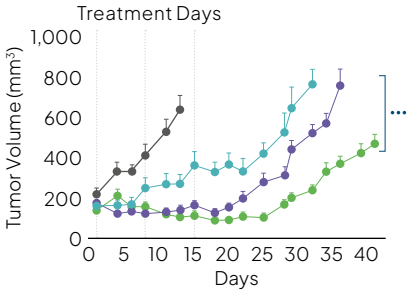


Starpharma's HER2–targeted DEP® SN38 ADC has been designed with a higher Drug-to-Antibody Ratio (DAR) or drug loading than currently marketed ADCs. The DAR of ADCs is important for their therapeutic efficacy, pharmacokinetics and therapeutic index.

The key advantages of Starpharma's DEP® platform for ADCs include:

- Ability to achieve higher DAR, and higher drug loading than conventional ADCs.
- Greater flexibility in terms of linker strategies to precisely control drug release profiles.
- Capacity to widen the therapeutic index of toxic drug payloads.
- Ability to penetrate deeply into tumours, binding strongly to target cells, and internalise for enhanced performance.
- Enhanced efficacy leading to enhanced survival.
- Flexibility in terms of compatible targeting agents, including biologics (whole antibodies and fragments), small molecules, peptides and other approaches.

Effect of HER2–targeted DEP® SN38 ADC vs. Enhertu® on Tumour Volume Over Time



- Vehicle (saline)
- Control dendrimer-SN38
- Enhertu®
- HER2-targeted DEP® SN38 ADC
- ••• p<0.0001 for HER2-targeted DEP® SN38 ADC vs all other groups

Driving Innovation Through Strategic Partnerships with Leading Global Companies

Partnered DEP® Programs

At Starpharma, collaborations and partnerships are key to our business strategy. The Company is using its dendrimer technology to develop and bring to market innovative products that cater to critical clinical needs and generate value for all stakeholders. Starpharma's partnerships span the globe and involve some of the world's largest pharmaceutical companies, including MSD, Genentech, and AstraZeneca. Through these funded partnerships, we collaborate closely on joint research and knowledge transfer, and they have access to our DEP® platform technology to progress their product research and development.

Starpharma made important progress in its DEP® partnerships during the financial year by expanding its programs with MSD and Genentech. These partnerships involve utilising Starpharma's DEP® platform in various innovative therapeutic modalities, including Antibody-Drug Conjugates.

In late July 2023, AstraZeneca announced it had made the decision to discontinue the development of AZD0466, following an internal review of its haematology portfolio. AstraZeneca confirmed that the asymptomatic adverse events leading to this decision were not related to the dendrimer component of AZD0466. Starpharma's DEP® Licence Agreement with AstraZeneca remains on foot.

Partnered DEP® programs	
Two DEP® ADC Research Agreements with MSD (Merck & Co., Inc.)	MSD
Two DEP® Research Agreements with Genentech	Genentech
DEP® anti-infective research partnership with Chase Sun	红日药业 CHASE SUN
Multi-product DEP® licence with AstraZeneca	AstraZeneca

"We are excited to collaborate with highly engaged global pharmaceutical partners who are utilising our cutting-edge dendrimer platform technology to yield superior results. These partnerships provide external validation, affirming the value of our technology. Our DEP® partnerships reinforce the clinical and commercial potential of our DEP® platform to develop products that benefit patients worldwide."

Dr Tony Eglezos, Vice President of Business Development

Starpharma's partnerships span the globe and involve some of the world's largest pharmaceutical companies.

Creating Medical Innovations That Make a Difference Worldwide

Anti-Infective Product Portfolio

Starpharma's commitment to advancing healthcare also extends to the ever-growing challenges of infectious diseases. The Company has developed an innovative proprietary dendrimer called SPL7013, which has a physical mechanism of action and anti-infective properties. Starpharma has successfully developed and launched three innovative products containing SPL7013 in various international markets.

Starpharma's marketed SPL7013 product range includes VIRALEZE™, a broad spectrum antiviral nasal spray for cold/respiratory viruses; VivaGel® BV, a topical gel for the treatment and prevention of recurrent bacterial vaginosis (BV); and VivaGel® Condom, an antiviral condom.

VIRALEZE™ Antiviral Nasal Spray

Starpharma's SPL7013 Nasal Spray, VIRALEZE™, is a broad-spectrum antiviral nasal spray that is registered in over 35 countries. It is intended to provide a protective barrier in the nose, which traps and blocks cold/respiratory viruses.
The nasal spray contains SPL7013, which has been shown in multiple laboratory and nonclinical studies to trap and block a broad spectrum of cold/respiratory viruses, helping to prevent their adhesion, multiplication and spread.

Ongoing commercialisation in global markets

During FY23, VIRALEZE™ was launched in new markets, including Hong Kong and Macau, through a network of retail stores, online and other channels such as Mannings and PARKnSHOP. The product's launch in these regions came after Starpharma signed a sales and distribution agreement with Hengan Group and was supported by marketing activities.

In addition to Hong Kong and Macau, VIRALEZE™ continues to be marketed in various jurisdictions, including Vietnam, the UK and Europe. Starpharma's distribution partner in Vietnam, Nam Thanh Medical, markets VIRALEZE™ nationwide through Long Chau Pharmacy, one of the country's largest pharmacy chains with approximately 1,000 bricks and mortar stores. During FY23, Starpharma expanded its e-commerce channels in the UK, making VIRALEZE™ available to consumers in the UK through a dedicated VIRALEZE™ product website and Amazon UK, as well as pharmacies.

This year, Starpharma also achieved registration for the product in Malaysia and Indonesia, bringing the total number of countries where VIRALEZE™ is registered to more than 35. The Company continues to pursue registration and commercialisation opportunities in new markets, focusing on commercially attractive markets with rapid regulatory pathways. Starpharma remains focused on increasing brand awareness and sales globally in conjunction with its growing network of partners. In Australia, the review by the Therapeutic Goods Administration (TGA) for the SPL7013 nasal spray as a medical device is ongoing.

A post-market clinical study in patients with COVID-19

Recruitment for a post-market clinical study of VIRALEZE™ in COVID-19 patients commenced in the UK in December 2022. The study has recruited ahead of schedule with more than 90% of participants now enrolled. It will provide valuable clinical data on the antiviral performance of VIRALEZE™ in non-hospitalised COVID-19 patients. This data will support marketing and commercial activities and build upon the product's extensive in-market experience. Additionally, the study will generate clinical safety and efficacy data relevant to new European medical device regulations. The study's design was developed with extensive specialist clinical advice and is based on other similar clinical studies of topical nasal sprays.

VivaGel® Portfolio

VivaGel® BV, an Australian innovation, is a novel, non-antibiotic gel developed by Starpharma for both the treatment of bacterial vaginosis (BV) and the prevention of recurrent BV and its symptoms. VivaGel® BV is registered in over 50 countries and has been commercialised under different brand names in multiple markets, including the UK, Europe, Southeast Asia, South Africa, Australia, and New Zealand.

BV is a prevalent condition that affects an estimated one in three women globally and can potentially impact recurrent sufferers' reproductive health. Although antibiotics are commonly used to treat BV, they have side effects and pose a risk of antibiotic resistance – and there is a growing demand for alternative approaches, such as VivaGel® BV, which can also be used to prevent recurrent BV.

VivaGel® BV continues to be marketed in multiple jurisdictions, including by Starpharma's partner Aspen in Australia and New Zealand. Marketing campaigns by partners to build brand awareness and sales are ongoing, including for consumer and healthcare professional audiences.

In August 2023, Starpharma announced it had negotiated a commercial settlement agreement with Mundipharma relating to VivaGel® BV. Under the settlement, Starpharma received a A$6.6 million cash payment from Mundipharma and terminated its VivaGel® BV licence and supply agreements with Mundipharma, regaining all commercial rights to VivaGel® BV, enabling Starpharma to sign new marketing arrangements for the product. Starpharma is well positioned to sign new commercial agreements for VivaGel® BV with other healthcare companies in these territories, with commercial interest already expressed in the product.

In the US, a formal dispute resolution process is ongoing with the Food and Drug Administration (FDA) for VivaGel® BV. The Company is preparing to lodge a further submission to the FDA, including precedents of other FDA approvals, with the timing of lodgement now governed by the publication and incorporation of relevant precedent information, which is being gathered.

Starpharma's VivaGel® Condom continues to be marketed by Okamoto in Japan, with Okamoto also pursuing approvals in other Asian countries.

VivaGel® BV is registered in

50+ countries

including the UK, Europe, Southeast Asia, South Africa, Australia, and New Zealand.

Environment, Social and Governance

At Starpharma, we recognise our important role as a biopharmaceutical company to improve patient outcomes. A key part of this is shaping the future of our industry to ensure it grows sustainably. We are committed to developing innovative products that will positively impact society.

To ensure that we remain forward-thinking, we continually strive to improve our sustainability practices. Our corporate governance principles and Code of Conduct provide a framework for ethical and responsible behaviour at all levels of our organisation, from the Board and management to all other employees.

Starpharma publishes an Environment, Social and Governance (ESG) Report each year alongside its Annual Report. Our ESG Report presents Starpharma's ESG framework and practices, covering four main areas: Environment, Our People, Products and Patient Health, and Governance.

Developing innovative therapies to enhance patient wellbeing, with a commitment to responsible and ethical practices that adhere to global regulatory standards.

It also details the sustainability-related risks and opportunities that are important to Starpharma and our stakeholders. Our focus is on the evolving, perceived and potential issues arising during pharmaceutical product research and development, registration, supply and commercialisation.

Environment

Starpharma has established formal policies and procedures, including an Environmental Policy and a Climate Change Position Statement, to operate responsibly and minimise the environmental impact of our work, including operations, research and development, and product marketing.

We have implemented measures to manage water consumption, waste and recycling, and greenhouse gas emissions. Our staff understand and comply with these initiatives. Although our global environmental risk exposure is small, Starpharma will continue to monitor, report and take action wherever necessary to mitigate our impact.

Our People

We take pride in our innovative, accountable, high-performing and ethical culture. Our set of Valued Behaviours promotes effective collaboration among all employees who know and appreciate how the broader community benefits from our work.

We strive to create a workplace that prioritises equality, safety, health and wellbeing. We have implemented a comprehensive suite of policies and procedures to ensure these outcomes.

Great Place to Work® certification

Starpharma was delighted to achieve Great Place to Work® certification for 2022–23. This recognition is a testament to our team's positive workplace and company culture and our celebration of inclusivity and diversity.

We take great pride in the fact that our employees come from 19 countries of birth, and we have, for some time, achieved an equal gender split across all levels of the Company. This is a testament to our global mindset and the importance of embracing diversity within our organisation.

Products and Patient Health

Starpharma is committed to providing consumers and patients with safe access to our products at all stages of the development process.

Our products undergo rigorous development and evaluation, including preclinical testing and clinical trials, and are labelled and marketed pursuant to high-quality standards and regulations specific to each geographic region. The Company conducts post-market surveillance and vigilance activities on all marketed products.

Although Starpharma has a relatively small number of suppliers, we prioritise responsible and ethical practices across our operations. We expect our suppliers to uphold high ethical standards and source from sustainable vendors.

Governance

Starpharma is committed to the principles underpinning best practices in corporate governance, emphasising general corporate compliance and ethical business, financial and social practices. Our robust corporate governance policies serve as a guide for our Company's actions and decision-making.

Starpharma's ESG Report 2023 provides further insights into the Company's framework for ESG, the practices, policies and procedures we have put in place, and our long-term goals, objectives and commitments to continuous improvement.

Starpharma's ESG Report 2023 can be viewed on our website: www.starpharma.com.

Starpharma's products undergo rigorous development and evaluation, including preclinical testing and clinical trials, and are marketed according to high quality standards and regulations specific to each geographic region.

3-Year Financial Summary

	FY23 $M	FY22 $M	FY21 $M
Revenue	**4.2**	4.9	2.2
Other income	**0.1**	0.3	1.3
Total revenue and other income	**4.3**	5.2	3.5
Expenditure, including the cost of goods sold	**(19.9)**	(21.4)	(23.2)
Loss for the period	**(15.6)**	(16.2)	(19.7)
Net operating cash outflows	**(13.5)**	(13.2)	(14.8)
Net investing and financing cash inflows (outflows)	**(1.3)**	2.4	46.1
Cash and cash equivalents at end-of-year	**35.2**	49.9	60.5

Overview of FY23 Financial Results

Starpharma concluded FY23 in a strong financial position with a cash balance of $35.2 million. Net operating cash outflows for the year were $13.5 million. This excludes A$6.6 million received from Mundipharma in August 2023 following the recent commercial settlement for VivaGel® BV.

Revenue for FY23 was $4.2 million (FY22: $4.7 million), which included $2.9 million from VIRALEZE™ and VivaGel® product sales, royalties, licensing revenue, and research revenue from commercial partners as well as interest income of $1.3 million.

The FY23 loss after tax of $15.6 million continued to trend downwards (FY22: $16.2 million). Expenditure included investment in research and product development associated with the internal DEP® drug delivery programs, including DEP® cabazitaxel, DEP® docetaxel, DEP® irinotecan, DEP® ADCs, and DEP® radiotheranostics, as well as the post-market clinical study of VIRALEZE™.

Starpharma received a $7.1 million R&D tax incentive refund in December 2022, with an anticipated R&D tax incentive refund of $7.6 million expected in FY24.

Starpharma concluded FY23 in a strong financial position with a cash balance of $35.2 million, and in August 2023, Starpharma received $6.6 million from Mundipharma.

Directors' Report

Your directors have pleasure in presenting 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 2023.

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 (Chairman)

L Cheng

D J McIntyre

J R Davies

J K Fairley (Chief Executive Officer)

R Basser

R Basser was appointed as a director on 20 February 2023

Z Peach resigned as a director on 29 November 2022

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. Formerly Mr Thomas was 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 Retail Securities, Co-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:	950,000 ordinary shares.

Jacinth (Jackie) K Fairley

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

Chief Executive Officer and director (appointed 1 July 2006)

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 management 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:	Attends 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. 6,280,125 employee performance rights.

Information on Directors continued

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.
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:	Redflex Holdings Limited.
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.

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. 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 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:	60,000 ordinary shares.

Information on Directors continued

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:	50,000 ordinary shares.

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:	None.
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:	Nil.

Company Secretary

Mr Nigel Baade held the position since 2013 until his resignation as Company Secretary on 1 February 2023 (Mr Baade resigned from the Company on 31 March 2023). Ms Tracy Weimar was appointed to the position of interim Company Secretary on 1 February 2023. Ms Weimar is a fellow of the Governance Institute of Australia (FGIA), with over 20 years of commercial, company secretarial and non-executive director experience in the pharmaceutical/biotech industry.

Mr Justin Cahill commenced his position 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, life-science and other applications. Activities within the group are directed towards the development of precisely defined nano-scale materials, including the development of VivaGel® for the management and prevention of bacterial vaginosis, and as an antiviral condom coating, and VIRALEZE™ – an antiviral nasal spray. Starpharma is also applying its proprietary dendrimers to drug delivery to create improved pharmaceuticals and has developed the valuable DEP® delivery platform.

Result

The financial report for the group for the financial year ended 30 June 2023, 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 2023 was $15,638,000 (2022: $16,154,000), with revenue for the year of $4,208,000 (2022: $4,899,000). The net operating cash outflows for the year were $13,533,000 (2022: $13,162,000). The cash balance at 30 June 2023 was $35,180,000 (June 2022: $49,918,000).

Dividends and Distributions

No dividends were paid or declared during the period and no dividends are recommended in respect to the financial year ended 30 June 2023 (2022: Nil).

Review of Operations

Key activities until the date of this report include:

DEP® Drug Delivery Programs

Starpharma's Phase 2 clinical trial of DEP® cabazitaxel completed the enrolment and treatment of patients, with 76 participants enrolled. Encouraging efficacy signals following treatment with DEP® cabazitaxel have been observed, including significant tumour shrinkage and tumour biomarker reductions, in heavily pre-treated patients with advanced cancers, including prostate, ovarian, gastro-oesophageal, cholangiocarcinoma and head and neck cancer. In September 2022, Starpharma presented promising results from the prostate cancer cohort at the European Society of Medical Oncology (ESMO) Congress.

The Phase 2 monotherapy arm of the DEP® docetaxel trial also completed the enrolment and treatment of patients. 50 patients were recruited and treated with DEP® docetaxel in the monotherapy arm, and encouraging efficacy signals, including prolonged stable disease and significant tumour shrinkage, have been observed in heavily pre-treated patients with multiple cancer types, including pancreatic cancer, gastro-oesophageal cancer, and cholangiocarcinoma.

Starpharma completed patient enrolment in the monotherapy arm of the Phase 2 clinical trial of DEP® irinotecan, with 88 patients having participated in the monotherapy arm. Encouraging results have been seen in patients with multiple cancer types, including colorectal, platinum-resistant ovarian, gastrointestinal, and breast cancer, with durable responses for up to 72 weeks.

Starpharma also progressed the combination arms of the DEP® irinotecan (5–FU/leucovorin) and DEP® docetaxel (gemcitabine) Phase 2 trials, with recruitment ongoing.

In parallel with completing these Phase 2 programs, Starpharma continued to build its pipeline of DEP® assets by advancing the development of two products in DEP® radiotheranostics and DEP® Antibody-Drug Conjugates.

Starpharma announced the development of a HER2–targeted DEP® SN38 ADC, which demonstrated significant anti-tumour activity and improved survival in a HER2+ human ovarian cancer xenograft model, compared with a marketed HER2–ADC, Enhertu®.

In June 2023, Starpharma announced that DEP® HER2–zirconium, a HER2–targeted radiodiagnostic, demonstrated imaging benefits in a HER2+ breast cancer model. The demonstrated benefits included a favourable biodistribution profile, excellent imaging contrast between tumour and normal tissues, rapid uptake, high levels of tumour accumulation, and rapid clearance.

Starpharma partnered with the University of Queensland's Hub for Advanced Manufacture of Targeted Radiopharmaceuticals (AMTAR Hub) to advance the research and development of Starpharma's targeted DEP® radiotheranostic products – which includes both DEP® radiodiagnostics and DEP® radiotherapeutics.

Starpharma's partners include some of the world's largest pharmaceutical companies, such as MSD, Genentech, Chase Sun and AstraZeneca. During the financial year, Starpharma expanded its DEP® programs with MSD and Genentech to include new programs of work. Starpharma's partnered programs apply the Company's DEP® platform technology to several novel therapeutic modalities, including ADCs.

In late July 2023, AstraZeneca announced it had made the decision to discontinue the development of AZD0466, following an internal review of their haematology portfolio. AstraZeneca confirmed that the asymptomatic adverse events leading to this decision were not related to the dendrimer component of AZD0466. Starpharma's DEP® Licence Agreement with AstraZeneca remains in effect.

Starpharma continues to undertake business development partnering activities for its DEP® platform, with active commercial discussions underway in a number of areas including DEP® radiotheranostics and DEP® ADCs.

Marketed Products

VIRALEZE™ Antiviral Nasal Spray

During the financial year, Starpharma's antiviral nasal spray, VIRALEZE™, was launched in new markets, including Hong Kong and Macau, through an extensive network of retail stores, online and other channels. The launch followed the signing of a sales and distribution agreement with Hengan Group and was supported by marketing activities.

Marketing of VIRALEZE™ continued in multiple jurisdictions, including Hong Kong, Macau, Vietnam, the UK and Europe. Starpharma expanded its e-commerce channels in the UK, making VIRALEZE™ available through a dedicated product website and Amazon UK.

Starpharma achieved registration for VIRALEZE™ in Malaysia and Indonesia, bringing the number of countries where VIRALEZE™ is registered to more than 35, and submitted regulatory applications in other jurisdictions during the year.

Starpharma commenced a post-market clinical study of VIRALEZE™ in the UK in December 2022. The study will provide valuable clinical data on the antiviral performance of VIRALEZE™ in COVID-19–positive individuals. The study has recruited more than 90% of planned participants to date.

Starpharma presented new data on the efficacy of VIRALEZE™ against SARS-CoV-2 omicron infection in an animal challenge model at Respi DART, an international virology conference, in December 2022. These data, which were generated at Scripps Research in the US, showed that VIRALEZE™ was able to eliminate the SARS-CoV-2 omicron virus by more than 99.99% in the lung and trachea of animals that were exposed to the virus, even when VIRALEZE™ was administered after exposure.

VIRALEZE™ is not approved for use or supply in Australia. The review by the Therapeutic Goods Agency (TGA) for the SPL7013 nasal spray as a medical device is ongoing.

VivaGel® Portfolio

Starpharma's VivaGel® BV product continued to be marketed in multiple jurisdictions by its partners. Marketing campaigns by partners to build brand awareness and sales are ongoing, including for consumer and professional healthcare audiences.

After the end of the reporting period, Starpharma terminated its VivaGel® BV license and supply agreements with Mundipharma, enabling Starpharma to sign new marketing arrangements for the product. A cash settlement payment of US$4.25M (A$6.56M) was subsequently received from Mundipharma.

In the US, a formal dispute resolution process is ongoing with the Food and Drug Administration (FDA) for VivaGel® BV. As part of this process, Starpharma has received extensive external advice, met the FDA on multiple occasions, and made a number of submissions of data and analyses to the regulator. The Company is preparing to lodge a further submission to the FDA, including precedents of other FDA approvals, with the timing of lodgement now governed by the publication and incorporation of relevant precedent information.

Starpharma's VivaGel® Condom continues to be marketed by Okamoto in Japan.

Key Personnel Changes

Ms Zita Peach retired from the Board in November 2022 after 11 years. Mr Nigel Baade resigned from the CFO/Company Secretary role in early 2023, after nearly 17 years.

In February 2023, Starpharma welcomed medical oncologist and former senior executive Dr Russell Basser as a non-executive director to the Board. Dr Basser has substantial expertise in international drug and vaccine development, having held multiple senior executive roles at CSL.

In February 2023, Starpharma appointed Ms Tracy Weimar as interim Company Secretary. Ms Weimar has over 20 years of commercial, company secretarial and non-executive directorship experience in the pharmaceutical and biotechnology industry across large and small-cap companies.

In April 2023, Mr Justin Cahill joined Starpharma as Chief Financial Officer (CFO) and Company Secretary. Mr Cahill has extensive corporate finance and leadership experience in the biopharmaceutical, food, and agricultural sectors with several private and ASX-listed companies, including CSL.

In June 2023, Dr Jackie Fairley advised the Board of her intention to retire as CEO in 2024 after 17 years in the role. A search process is underway and Dr Fairley, the Board and the senior executive team are working closely to ensure a seamless transition.

Matters Subsequent to the End of the Financial Year

On 14 August 2023, Starpharma received a cash payment of US$4.25M (A$6.56M) from Mundipharma, following the signing of a commercial settlement agreement related to VivaGel® BV. Under the settlement, in addition to the cash payment, Starpharma terminated its VivaGel® BV license and supply agreements with Mundipharma, regaining all commercial rights to VivaGel® BV, enabling Starpharma to sign new marketing arrangements for the product.

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 that the asymptomatic adverse events leading to this decision were not related to the dendrimer component of AZD0466. Starpharma's DEP® Licence Agreement with AstraZeneca remains in effect.

Strategy, Future Developments and Prospects

Starpharma aims to create value for its shareholders through the clinical and commercial development of its proprietary products based on its patented dendrimer technology in pharmaceutical and healthcare applications. The company's key focus is to advance its product pipeline, including internal and partnered DEP® programs and to advance commercial opportunities for VivaGel® and VIRALEZE™. Starpharma intends to achieve this by continuing to utilise a combination of internally funded and partnered programs across its dendrimer portfolio. 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, and the risks involved in advancing the product to the next value inflection point or milestone.

Starpharma's strategy remains consistent with previous years. Starpharma has extensive scientific expertise, a strong intellectual property portfolio, a deep product portfolio, and a culture and ability to innovate.

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 2023 $'000	30 June 2022 $'000
Revenue	**4,208**	4,899
Cost of goods sold	**(1,120)**	(2,776)
Other income	**135**	263
Research and product development expense	**(11,239)**	(11,680)
Commercial and regulatory operating expense	**(3,854)**	(3,568)
Corporate, administration and finance expense	**(3,768)**	(3,292)
Loss for the period	**(15,638)**	**(16,154)**

Income statement

The reported loss for the period was $15,638,000 (2022: $16,154,000).

Revenue for the year was $4,208,000 (2022: $4,899,000), comprising $2,939,000 (2022: $4,682,000) for product sales, royalties, licensing revenue, and research revenue from commercial partners, and interest income of $1,269,000 (2022: $217,000). Revenue received from commercial partners during the year was predominately product sales and royalties from VIRALEZE™ and VivaGel® products.

Other income of $135,000 (2022: $263,000) primarily relates to proceeds received from an insurance claim. For the prior year, other income included Medical Research Future Fund (MRFF) grant funding for the development of VIRALEZE™.

Research and product development expense of $11,239,000 (2022: $11,680,000) includes the costs of the internal DEP® drug delivery programs including DEP® docetaxel, DEP® cabazitaxel, and DEP® irinotecan, DEP® ADCs and DEP® radiotheranostics, and the VIRALEZE™ post market study. A contra research and development expense of $7,631,000 (2022: $7,261,000) has been recognised for activities eligible under the Australian Government's Research and Development Tax Incentive program.

Commercial and regulatory operating expense includes the expenditure related to the commercialisation of VivaGel®, VIRALEZE™ and the DEP® portfolio, including business development, marketing, regulatory, supply chain and quality assurance activities.

Corporate, administration and finance expense includes corporate costs, gains/losses on foreign currency held, and interest expense on borrowings. The increase over the prior year primarily reflects interest on borrowings, and a foreign currency movement on foreign currencies held between the periods, with a higher gain in the prior corresponding period.

Balance sheet

At 30 June 2023 the group's cash position was $35,180,000 (June 2022: $49,918,000). Trade and other receivables of $9,169,000 (June 2022: $7,916,000) includes $7,244,000 (June 2022: $6,747,000) receivable from the Australian Government under the R&D tax incentive program. Current borrowings include the $4,000,000 Invest Victoria R&D loan from Treasury Corporation of Victoria and a $778,000 loan to finance the Company's insurance premiums.

Statement of cash flows

The net operating cash outflows for the year were $13,533,000 (2022: $13,162,000).

Earnings Per Share

	2023	2022
Basic and diluted earnings/(loss) per share	**($0.04)**	($0.04)

Directors' Report continued

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 are material.
- 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 penalty 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.
- Commercialisation – the company predominately relies upon corporate and or 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 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.
- 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 be 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 under 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.
- Environment and climate change impact – the company continues to identify and manage any material risks and opportunities presented by a changing global climate. Currently, the impact of climate change has been assessed to not be a material risk on the company's business activities. The company is committed to reducing and minimising its environmental impact across the business and value chain to support more sustainable operations and to improve human health.

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 group 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 on a regular basis over the year. 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 2023 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 2023, and the numbers of meetings attended by each director were:

Directors	Board	Audit and Risk Committee	Remuneration and Nomination Committee
R B Thomas	8 of 8	3 of 3	3 of 3
J K Fairley	8 of 8	N/A	N/A
Z Peach[1]	3 of 3	2 of 2	2 of 2
D J McIntyre	7 of 8	3 of 3	N/A
L Cheng	8 of 8	3 of 3	3 of 3
J R Davies	7 of 8	N/A	2 of 3
R Basser[2]	3 of 4	N/A	0 of 1

The table above illustrates the number of meetings attended compared with the number of meetings held during the period that the director held office or was a member of the committee. "N/A" denotes that the director is not a member of the relevant committee.

1. Z Peach retired from the Board following the Company AGM in November 2022.
2. R Basser was appointed as a non-executive director on 20 February 2023. Mr Basser had leave pre-arranged prior to his appointment as a non-executive director, which meant he was unable to attend one Board and one Remuneration and Nomination Committee meeting.

Remuneration Report

The remuneration report for the year ended 30 June 2023 sets out remuneration information for non-executive directors, executive directors and other key management personnel 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
   (a) Approach to setting and reviewing remuneration
   (b) Remuneration principles and strategy
   (c) Details of executive equity incentive plans
   (d) Grant of equity incentives to KMP executives in FY23
5. Executive remuneration outcomes, including link to performance
6. Details of remuneration
7. Executive employment agreements
8. Additional disclosures relating to employee equity schemes

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 (~45) 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 structure of remuneration 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 FY23 share price underperformance in determining the STI cash bonus and STI deferred equity incentives for FY23, and in setting appropriate remuneration for directors and executives for the forward year.

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 group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

The table below outlines the KMP of the group during the financial year ended 30 June 2023. The individuals were KMP for the entire financial year, except where indicated in the table below. For the purposes of this report, the term "KMP executives" includes the executive director and Other KMP executives of the group. "Other KMP executives" refers to KMP executives excluding the CEO. Profiles for each of the directors and company secretary can be found at the beginning of the Directors' Report.

(i) Non-executive directors	
R B Thomas	Non-executive Chairman
Z Peach	Non-executive Director, resigned 29 November 2022
D J McIntyre	Non-executive Director
L Cheng	Non-executive Director
J R Davies	Non-executive Director
R Basser	Non-executive Director, appointed 20 February 2023
(ii) Executive director	
J K Fairley	Chief Executive Officer & Managing Director (CEO)
(iii) Other KMP executives	
N J Baade	Chief Financial Officer & Company Secretary, resigned 31 March 2023
J W Cahill	Chief Financial Officer & Company Secretary, appointed 3 April 2023
A Eglezos	VP, Business Development
J R Paull	VP, Development & Regulatory Affairs

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 internal development of executive talent within the group, recognising that Starpharma is operating in a competitive global pharmaceutical industry environment;
- align KMP executive remuneration structures to shareholders 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 superior performance by the executive team whilst aligning performance elements/KPIs to the interests of shareholders; and
- create a respectful culture based on superior performance and innovation through appropriately structured individual assessments.

Benchmarking

Extensive salary and remuneration benchmarking is undertaken by Starpharma 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 (variable remuneration) to reward superior 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.

Voting at the company's 2022 Annual General Meeting (AGM)

Of the votes cast on the company's remuneration report for the 2022 financial year, 90% were in favour of the resolution.

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 in respect of remuneration-related issues. Members of the Remuneration and Nomination Committee routinely engage with proxy advisers to discuss a range of governance and remuneration matters.

2. Remuneration Governance continued

Starpharma remuneration process summary

Board

Has overall responsibility for oversight of Starpharma's remuneration policy and its principles and processes, and ensures appropriate benchmarking and the group's ability to pay are considered in remuneration-related decision-making.

Following recommendations from the Remuneration and Nomination Committee, the Board considers and approves:

- Starpharma's executive remuneration policy;
- the remuneration packages of the CEO and other senior executives;
- the 'at-risk' components of executive remuneration packages, including the structure and operation of equity-based plans; and
- the remuneration of non-executive directors.

Oversee & Approve

Inform & Recommend

Remuneration and Nomination Committee

Reviews and recommends the following to the Board:

- Starpharma's executive remuneration policies;
- specific remuneration recommendations for the CEO and other senior executives;
- remuneration for non-executive directors;
- design of incentive plans; and
- impacts of external market factors.

Support & Advise

Engage & Oversee

Remuneration consultants and other external advisers

Where required, support the Remuneration and Nomination Committee by providing independent advice on matters including:

- benchmarking data;
- legal and regulatory advice on remuneration-related issues for directors and executives; and
- advice on incentive plans.

Oversee & Approve

Inform & Recommend

CEO

Reviews and recommends remuneration arrangements and outcomes of performance assessments to the Remuneration and Nomination Committee for senior executives.

Further 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.

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 2023 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 FY23

The aggregate amount paid to non-executive directors for the year ended 30 June 2023 was $436,119 (2022: $399,699). The details of remuneration for each non-executive director for the years ended 30 June 2023 and 30 June 2022 are outlined in the tables in section 6.

3. Non-executive Director Remuneration Policy continued

Proposed fee adjustments for FY24

From 1 July 2023, non-executive director fees will be subject to a modest increase of 2.6%. Included in this increase is an increase in the compulsory superannuation contribution from 10.5% in FY23 to 11% in FY24.

Annual non-executive directors' fees		Proposed fees from 1 July 2023 $	Actual fees to 30 June 2023 $
Board fees			
Chair (no additional fees for serving on Board committees)		136,948	134,000
Deputy chair		73,000	73,000
Base fee for other non-executive directors		71,540	70,000
Committee fees			
Audit and Risk Committee	Chair	11,500	11,000
	Member	5,500	5,000
Remuneration and Nomination Committee	Chair	11,500	11,000
	Member	5,500	5,000

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. Other factors taken into account in determining remuneration include a demonstrated record of performance and the group's ability to pay. In the case of executives, the CEO provides recommendations to the Remuneration and Nomination Committee.

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 FY23, 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, Pharmaxis, Polynovo, Race Oncology, Rhythm Biosciences, 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, their 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.

The CEO has a maximum cash bonus entitlement as a component of STI, which for FY23 was $265,756, representing a target of 15% of total remuneration. 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. 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 FY23, the STI target cash bonus pool for other bonus eligible KMP executives was 24% of fixed remuneration to align with the strategy to balance the STI 'at risk' portions of remuneration for Other KMP executives between cash and equity.

(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.

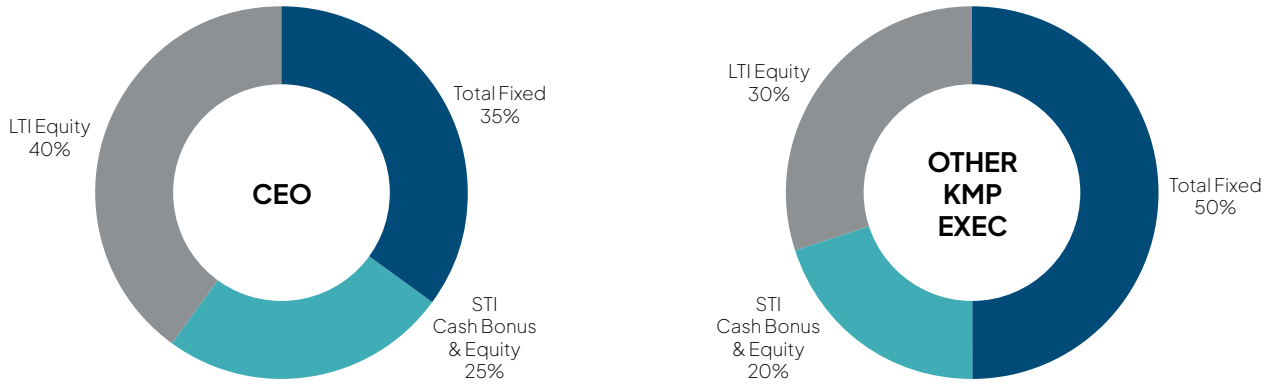
Attract, motivate and retain high performing individuals:

- 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

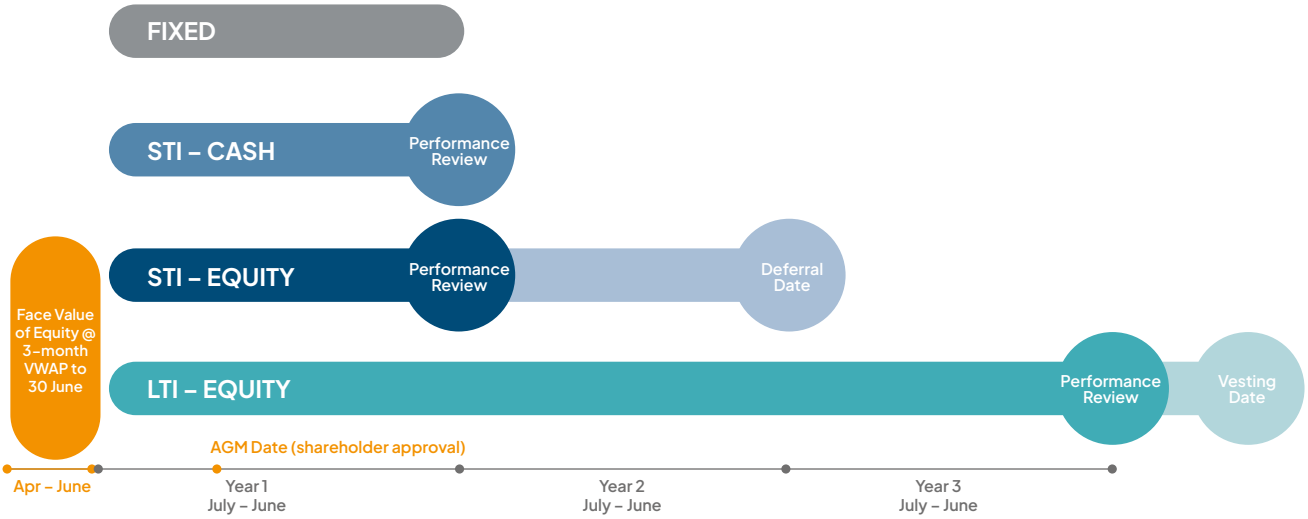


4. Executive Remuneration Policy continued

(b) Remuneration principles and strategy continued

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 on pages 40 to 44 of this report.

To achieve the target remuneration mix, the below performance pay structure was applied in FY23 and is consistent with the prior year.



(c) Details of executive equity incentive plans

Starpharma 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.
How are STIs delivered?	Cash bonus and performance rights, 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 FY23 the CEO and executives were awarded STI equity with a 1–year performance period (1 July 2022 to 30 June 2023), with a deferred vesting date of 30 June 2024 dependent on continued employment to the vesting date.
What is the STI opportunity?	The STI opportunity is a target of ~25% and ~20% of total remuneration for the CEO and Other KMP executives, respectively. The CEO STI opportunity for FY23 was 20% or ~ 80% of the 25% target, comprising of a cash component (67%) and an equity component (33%). The STI cash opportunity component was equivalent to 24% of total fixed remuneration. Other KMP executives were awarded STI equity for the 1 July 2022 to 30 June 2023 performance period based on the achievement of their pre-determined KPIs. In FY23, Other KMP executives had an average target STI opportunity of 20% of total remuneration. The cash bonuses awarded to Other KMP executives in FY23 equated to an average of 14% of total remuneration or an average of 25% (excluding a sign on bonus payable to Mr Cahill) of total fixed remuneration, based on achievements in the year.

What are the STI performance conditions for FY23?

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 was assessed during FY23, 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 42.

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, KMP executives can elect to convert vested rights into shares during prescribed exercise windows throughout future periods. The maximum period for exercising vested rights is 15 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 a 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.

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.

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

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.

Starpharma 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.
How are LTIs delivered?	Performance rights with a performance/vesting period of 3 years or more. The LTI performance rights awarded during FY23 have 3–year performance periods for all executives.
What is the LTI opportunity?	The CEO's LTI opportunity for FY23 was 40% of total remuneration. For Other KMP executives, the LTI opportunity for FY23 was 30% of total remuneration. As outlined in section 4 of the remuneration report, the target LTI opportunity is 40% and 30% of total remuneration for the CEO and Other KMP executives, respectively.
What are the LTI performance conditions for the performance period to 30 June 2023?	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 2023 these were: • the monetisation of the 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 VivaGel® revenue, development of new DEP® candidates 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 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 in respect of 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. 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. Also, the published S&P/ASX 200 Healthcare Index was considered as a possible comparator, however, 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.

What are the LTI performance conditions for the performance period to 30 June 2023? *continued*

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%

The Board considers 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 FY23, 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.

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.

4. Executive Remuneration Policy continued

(c) Details of executive equity incentive plans continued

Starpharma Long-Term Incentives (LTI) – Equity continued

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, KMP executives can elect to convert vested rights into shares during prescribed exercise windows throughout future periods. The maximum period for the exercise of vested rights is 15 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.

(d) Grant of equity incentives to KMP executives in FY23

In FY23, 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 39.

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 30 June 2023, which reflects 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 face value is not adjusted for changes (increases or decreases) in share price post 30 June, which has been the practice since 2015. The face value for each right was $0.7665.

The below tables summarise the equity incentives granted in FY23:

		Deferred STI equity	LTI equity
	Performance period	1 July 2022 to 30 June 2023	1 July 2022 to 30 June 2025
	Deferral period	12 months from end of performance period	Not applicable
	Vesting date	30 June 2024	30 September 2025
	Face value per right	Based on 3–month VWAP to 30 June 2022 of $0.7665	
	Method for calculating number of rights	Total value of grant at face value divided by the face value per right	
J K Fairley *(CEO and Managing Director)*	Face value of grant	$174,708	$698,834
	Number of rights	227,930	911,721
	Fair value per AASB2#	$118,820	$408,734
	Performance conditions	100% corporate KPIs	70% corporate KPIs 30% relative TSR
J Paull *(Other KMP executives)*	Face value of grant	$54,422	$217,686
	Number of rights	71,000	284,000
	Fair value per AASB2†	$42,998	$161,336
	Performance conditions	70% business unit KPIs 30% corporate KPIs	70% business unit KPIs 15% corporate KPIs 15% relative TSR
N J Baade **A Eglezos** *(Other KMP executives)*	Face value of grant	$49,823	$199,290
	Number of rights	65,000	260,000
	Fair value per AASB2†	$39,364	$147,702
	Performance conditions	70% business unit KPIs 30% corporate KPIs	70% business unit KPIs 15% corporate KPIs 15% relative TSR
	Other vesting conditions	Remains employed until the vesting date and has not engaged in fraud or dishonesty	

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.

† The grant date to calculate the fair value of the award under AASB2 is the date when the performance rights were granted.

5. 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 reward with the interests of shareholders. The primary focus is on growth in shareholder value through 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 is detailed in the table below. No dividends have been paid in the last 5 years.

	FY23	FY22	FY21	FY20	FY19
Closing share price 30 June	**$0.31**	$0.74	$1.50	$1.13	$1.36
Share price high	**$0.85**	$1.55	$2.52	$1.43	$1.66
Share price low	**$0.27**	$0.62	$1.02	$0.62	$0.87
Profit/(Loss) for the year ($M)	**(15.6)**	(16.2)	(19.7)	(14.7)	(14.3)
Number of performance rights forfeited by CEO based on share price performance for the period ending 30 June (or otherwise in the FY)	**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)	**22%**	25%	3%	0%	0%

Fixed remuneration

The average increase in KMP executive fixed remuneration for FY23 was 3.6% (FY22: 2.7%). The increases in the total fixed remuneration package for individual KMP executives were between 3.5% and 3.7% for the year.

Performance-related pay

In the assessment of STI and LTI KPIs, the Board took into account the significant achievements obtained in the performance periods and the effort and dedication required to accomplish these milestones. These achievements include those listed on pages 48 to 50.

Short-term incentives (STI)

Summary of performance pay related to FY23 for the CEO

	STI cash ($)	STI equity (# of rights)
Maximum available	**$265,756**	**227,930**
STI awarded	**$140,850**	**120,803**
% awarded	**53%**	**53%**

The Remuneration and Nomination Committee and the Board determined that the CEO had achieved a performance assessment of 53% of STI awards for the performance period 1 July 2022 to 30 June 2023, based on the annual review of actual performance against predetermined KPIs. These targets were set by the Remuneration and Nomination Committee and the Board at the beginning of the performance period and align to the company's strategic, operational and financial objectives. STI equity awards for the CEO in FY23 were based on the scorecard measures and weightings as disclosed below.

Summary of performance pay related to FY23 for Other KMP executives

For STI awards for Other KMP executives, the CEO assesses the Other KMP executives' performance against predetermined KPIs relevant to their business unit. These business unit KPIs relate directly to specific elements of the corporate KPIs, with 30% of STI equity awards based on the percentage achievement of corporate KPIs as disclosed above. The achievement of corporate KPIs requires significant input and strong performance from the executive team. The CEO makes recommendations to the Remuneration and Nomination Committee and the Board in respect of the STI performance assessment and amounts to be awarded.

The Remuneration and Nomination Committee and the Board determined that Other KMP executives had achieved an average performance assessment of 71% of STI awards (between 65% and 78%) for the performance period 1 July 2022 to 30 June 2023. STI equity awards to Other KMP executives for FY23 were consistent with their performance assessment.

Long-term incentives (LTI)

Summary of performance pay for the CEO for the three years ended 30 June 2023

	LTI equity (# of rights)	% achieved
Maximum available	**637,173**	
LTI achieved		
KPIs for 3 years to 30 June 2023	**229,382**	**51.4%**
Relative TSR for 3 years to 30 June 2023	**0%**	**0%**
Total LTI achieved	**229,382**	
% achieved	**36.0%**	

Performance assessment of relative TSR for the three years ended 30 June 2023

The company's total shareholder return (TSR) was benchmarked against the performance of the S&P/ASX300 Index for the three-year performance period ended 30 June 2023. The company's TSR over the period was (65.5%) compared with an Index TSR over the period of 21.4%. The company's annualised TSR for the period was (29.9%) compared to the S&P/ASX300 Index's annualised TSR of 6.7%. As a result, 0% relative TSR component vested based on the prescribed sliding scale as set out on page 43. 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 2023	3 years to 30 June 2022
Starpharma annualised TSR	**(29.9%)**	(15.6%)
Index annualised TSR	**6.7%**	(0.3%)
Starpharma over/(under) performance of Index (annualised over 3 years)	**(36.6%)**	(15.3%)
% of relative TSR awarded	**0%**	0%

Summary of performance pay for Other KMP executives for the three years ended 30 June 2023

For LTI awards for Other KMP executives, the CEO assesses their performance against predetermined KPIs relevant to their business unit. These business unit KPIs relate directly to specific elements of the corporate KPIs, with 15% of LTI equity awards based on the percentage achievement of corporate KPIs, and the remaining 15% based on relative TSR (as disclosed above). The achievement of corporate KPIs requires significant input and superior performance from the executive team. The CEO makes recommendations to the Remuneration and Nomination Committee and the Board in respect of the LTI performance assessment and amounts to be awarded.

The Remuneration and Nomination Committee and the Board determined that Other KMP executives had achieved a performance assessment of between 78% and 83% (average 81%) for business unit KPIs for the performance period 1 July 2020 to 30 June 2023 for determining LTI awards.

5. Executive Remuneration Outcomes, Including Link to Performance continued

Long-term incentives (LTI) continued

Summary of performance pay for Other KMP executives for the three years ended 30 June 2023 continued

STI performance assessment		Performance period 1 July 2022 to 30 June 2023	
Performance category	**Metric**	**Weighting**	**Satisfied**
Development, registration and commercialisation of VIRALEZE™	Continue commercial roll-out of VIRALEZE™ and further development activities to support regulatory and marketing activities and sales.	25%	Partially met
Regulatory and commercialisation activities for VivaGel® BV	Advance further VivaGel® BV registrations in multiple countries, with priority given to major markets and facilitate partners to roll out and launch the product in multiple markets, pursue partnerships for remaining unlicensed countries, and optimise returns.	5%	Partially met
Clinical stage internal DEP® programs	Progress internal clinical DEP® programs into and through 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.	23%	Partially met
Preclinical DEP® candidate(s)	Advance additional internal DEP® product candidates through preclinical development (or sign a licence, as appropriate).	14%	Partially met
Partnered DEP® programs	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.	25%	Partially met
Capital management, culture and leadership	Manage the company's finances in a prudent manner to create value, increase recurrent revenues and maintain and enhance the reputation for corporate responsibility and effectively manage organisational culture and people to achieve superior performance.	8%	Partially met
		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.

- Ongoing VIRALEZE™ regulatory and commercial activities, including:
  - Achieved VIRALEZE™ registrations in Indonesia and Malaysia, bringing the total number of countries where the product is registered to more than 35, including across the UK, Europe, Asia, and the Middle East. Additional regulatory submissions were made in other regions during the year.
  - Supported the launch and commercialisation of VIRALEZE™ in Hong Kong and Macau, following signing of a sales and distribution agreement with Hengan Group.
  - Supported commercial partners with marketing materials, timely launches and product supply.
  - Expanded Starpharma's e-commerce channels for VIRALEZE™ in the UK, making VIRALEZE™ available through a dedicated product website and Amazon UK.
  - Progressed discussions with other potential commercial partners for VIRALEZE™.
  - Commenced recruitment for a post-market clinical study of VIRALEZE™ in COVID-19 patients in the UK in December 2022 after receiving all requisite regulatory and ethics approvals. Recruitment is more than 90% complete at the end of FY23.
  - Generated new data at Scripps Research in the US on the efficacy of VIRALEZE™ against SARS-CoV-2 Omicron infection in an animal challenge model. These data were presented at the international virology conference Respi DART in Mexico in December 2022.

- Ongoing VivaGel® BV regulatory and commercial activities, including:
  - Continued to support both Aspen and Mundipharma supply, sales and marketing activities in their licensed regions.
  - Provided support to Mundipharma for additional VivaGel® BV registrations and planned product launches in the Middle East and Southeast Asia, with product supplied and launch activities advanced.
  - Supported marketing campaigns by Aspen to build brand awareness and sales in Australia and New Zealand, including for consumer and healthcare professional audiences.
  - Continued to pursue registrations in other territories including in Asia, the Middle East and Africa.
  - Supported commercial partners with marketing materials, technical input and ongoing product supply.
  - Continued to pursue FDA approval for VivaGel® BV, working with a team of expert regulatory advisers, lawyers and statisticians to progress a formal review, including detailed submissions. The formal FDA review is ongoing.
- Progress with internal clinical-stage DEP® assets, including:
  - Completed recruitment and treatment for the Phase 2 DEP® cabazitaxel trial. Interim results from the prostate cancer cohort were presented at the ESMO Congress in September 2022.
  - Completed recruitment and treatment for the Phase 2 DEP® docetaxel monotherapy trial.
  - Completed recruitment for the Phase 2 DEP® irinotecan monotherapy trial.
  - Progressed the ongoing combination arms of both the Phase 2 DEP® docetaxel plus gemcitabine trial and the Phase 2 DEP® irinotecan plus 5–FU/leucovorin trial with these nearing completion.
  - Partnering discussions for all three DEP® candidates with commercial discussions across a range of regions.
- Develop the preclinical DEP® pipeline:
  - Progressed DEP® radiotheranostic candidates, targeted and untargeted, and released new data on DEP® HER2–zirconium, a radiodiagnostic, showing benefits in a HER2+ breast cancer model.
  - Progressed DEP® Antibody-Drug Conjugate (ADC) candidates, including HER2–targeted DEP® ADC, which demonstrated significant anti-tumour activity and improved survival in a HER2+ ovarian cancer model.
- Progressed existing and cultivated new partnered DEP® programs, including:
  - Progressed partnered DEP® programs, including with MSD, Genentech, and Chase Sun.
  - Supported AstraZeneca in their development activities for AZD0466.
  - Expanded DEP® programs with both MSD and Genentech during the financial year.
  - 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.

LTI performance assessment		Performance period 1 July 2020 to 30 June 2023	
Performance category	**Metric**	**Weighting**	**Satisfied**
Financial KPIs for VivaGel® BV and DEP®	Monetisation of the SPL7013, 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%	Partially met
Business KPIs for VivaGel® and DEP®	Optimisation of returns from VivaGel® revenue, represented by programs to maximise product returns to Starpharma; development of new DEP® candidates; and/or licensing (and/or asset sales) of DEP® candidates.	30%	Partially met
Relative TSR	Starpharma's TSR compared to the performance of the S&P/ ASX300 Index over a 3–year period.	30%	Not met
		100%	

5. Executive Remuneration Outcomes, Including Link to Performance continued

Long-term incentives (LTI) continued

Summary of performance pay for Other KMP executives for the three years ended 30 June 2023 continued

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.

- Fully developed and launched a new product, VIRALEZE™ nasal spray, in Europe, Vietnam, Italy, the UK, Hong Kong and Macau during the period.
- Signed sales and distribution arrangements for VIRALEZE™ nasal spray with commercial partners in the UK, Italy, Vietnam, the Middle East and Hong Kong and Macau.
- Achieved new registrations of VivaGel® BV, including in Asia and the Middle East. In Europe and Australia, achieved approval for a second BV indication, for the prevention of recurrent BV.
- 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 younger demographics.
- Signed and commenced a DEP® Research Agreement with MSD whereby Starpharma designs and synthesises a number of dendrimer-based Antibody-Drug Conjugates (ADCs) and provides them to MSD for testing and characterisation.
- Signed and commenced a second DEP® Research Agreement with MSD whereby Starpharma designs and synthesises a number of additional 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.
- Expanded the DEP® Agreement with Genentech within six months, adding 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 this decision were not related to the dendrimer component of AZD0466. Starpharma's DEP® Licence Agreement with AstraZeneca remains in effect.
- Signed and commenced a new DEP® partnership with Chinese company Chase Sun to develop several DEP® nanoparticle formulations of an anti-infective drug with the view of enhancing its performance and expanding its therapeutic utility.
- Completed recruitment for all three in-house Phase 2 DEP® clinical trials of DEP® cabazitaxel, DEP® docetaxel (monotherapy), and DEP® irinotecan (monotherapy). Encouraging efficacy signals have been observed in each trial. Undertook ongoing commercial discussions with potential licensees for each product.
- Interim results from the prostate cancer cohort of the Phase 2 DEP® cabazitaxel trial were presented at the ESMO Congress in September 2022.
- Expanded market potential for all internal clinical-stage DEP® candidates by adding new indications and progressed value-adding combination studies to Phase 2 trials: DEP® docetaxel plus gemcitabine, and DEP® irinotecan plus 5–FU/leucovorin.
- Completed the pre-clinical development activities for DEP® gemcitabine.
- Undertook partnering discussions, which are ongoing, for internal DEP® candidates, both clinical and preclinical-stage, with licences to be sought at the most appropriate time to maximise commercial value.
- Initiated DEP® radiotheranostic and DEP® ADC commercial discussions following positive preclinical results.
- Developed and progressed DEP® radiotheranostic candidates, targeted and untargeted, including DEP® lutetium, DEP® HER2–lutetium and DEP® zirconium. Generated and released data highlighting the benefits of DEP® applied to radiotheranostics.
- Developed and progressed DEP® ADCs candidates, including HER2–targeted DEP® SN-38 ADC. Generated and reported data showcasing the benefits afforded by DEP® in ADCs.

- **Relative TSR:**
  - Not met: The company's TSR was tested against the performance of the S&P/ASX300 Index for the three-year performance period ended 30 June 2023. The company's annualised TSR for this period was (29.9%) compared to the S&P/ASX300 Index's annualised TSR of 6.7%, resulting in (36.6%) underperformance to the Index.

    The relative TSR is calculated independently by a professional services firm and more information regarding the relative TSR hurdle is provided on page 32.

6. Details of Remuneration

The following tables show details of the remuneration received by the directors and the key management personnel of the group for the current and previous financial year. As required by the Accounting Standards, the value of performance rights included in the remuneration tables relates to the fair value of the performance rights (which may include performance rights granted in prior years), rather than their face value.

2023	Short-term benefits			Post-employment		Long-term benefits	Share-based payments	
Name	Cash salary and fees† $	Cash bonus#* $	Non-monetary benefits $	Super-annuation $	Termination benefits> $	Long service leave $	Performance rights# $	Total $
Non-executive directors								
R B Thomas	121,267	–	–	12,733	–	–	–	134,000
Z Peach‡	32,212	–	–	3,382	–	–	–	35,594
R Basser^	24,442	–	–	2,566	–	–	–	27,008
D J McIntyre	81,000	–	–	–	–	–	–	81,000
L Cheng	75,581	–	–	7,936	–	–	–	83,517
J R Davies	67,873	–	–	7,127	–	–	–	75,000
Executive director								
J K Fairley	534,289	140,850	41,115	25,296	–	15,593	313,601	1,070,744
Other KMP executives								
N J Baade~	186,699	–	18,294	18,972	109,353	–	5	333,323
A Eglezos	266,873	73,000	7,260	25,296	–	7,091	141,895	521,415
J R Paull	229,994	75,000	44,909	34,296	–	9,298	167,099	560,596
J W Cahill+	71,250	50,000	–	6,324	–	123	–	127,697
Totals	1,691,480	338,850	111,578	143,928	109,353	32,105	622,600	3,049,894

† Increases in overall total fixed remuneration packages for KMP executives were 3.7% or less (average 3.5%) in FY23. 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 FY23 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.

All performance-related remuneration, including cash bonuses and performance rights granted, are determined to be an 'at risk' component of total remuneration.

* The cash bonus reported relates to amounts assessed to be paid for the performance period 1 July 2022 to 30 June 2023. The actual cash payment for FY23 performance related bonuses will occur in FY24, except for a $25,000 sign-on bonus paid to J W Cahill in FY23.

> Terminations benefits relate to annual leave and long service leave entitlements upon resignation.

‡ Z Peach resigned from the Board on 29 November 2022.

^ R Basser was appointed to the Board on 20 February 2023.

~ N J Baade resigned 31 March 2023.

+ J W Cahill commenced employment on 3 April 2023.

6. Details of Remuneration continued

2022	Short-term benefits			Post-employment	Long-term benefits	Share-based payments	
Name	Cash salary and fees† $	Cash bonus#* $	Non-monetary benefits $	Super-annuation $	Long service leave $	Performance rights# $	Total $
Non-executive directors							
R B Thomas	121,818	–	–	12,182	–	–	134,000
Z Peach	78,182	–	–	7,818	–	–	86,000
P R Turvey^	6,307	–	–	631	–	–	6,938
D J McIntyre	81,000	–	–	–	–	–	81,000
L Cheng	66,374	–	–	6,637	–	–	73,011
J R Davies	17,045	–	–	1,705	–	–	18,750
Executive director							
J K Fairley	515,804	179,738	40,928	23,568	14,576	497,470	1,272,084
Other KMP executives							
N J Baade	227,510	75,000	32,976	27,468	6,952	192,073	561,979
A Eglezos	257,763	73,000	8,288	23,568	5,220	191,633	559,472
D J Owen~	215,430	–	19,459	19,640	(12,962)	(198,339)	43,228
J R Paull	230,858	75,000	40,692	27,468	8,214	214,733	596,965
Totals	1,818,091	402,738	142,343	150,685	22,000	897,570	3,433,427

† Increases in overall total fixed remuneration packages for KMP executives were 2.90% and below (average 2.70%) in FY22. 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 FY22 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.

All performance-related remuneration, including cash bonuses and performance rights granted, are determined to be an 'at risk' component of total remuneration.

* The cash bonus reported relates to amounts assessed to be paid for the performance period 1 July 2021 to 30 June 2022. The actual cash payment of the bonuses will occur in FY23.

^ P R Turvey resigned from the Board on 29 July 2021.

~ D J Owen resigned 6 May 2022.

Details of executive remuneration mix

The relative proportions of remuneration for FY23 that are linked to performance and those that are fixed are as follows:

		Fixed remuneration	At risk – STI cash	At risk – STI equity[1]	At risk – STI total	At risk – LTI equity[1]
CEO	**Target**	**35%**		**25%**	**40%**	
J K Fairley	Actual	57%	**13%**	**7%**	**20%**	23%
Other KMP executives	**Target**	**50%**			**20%**	**30%**
N J Baade[1]	Actual	98%	**–**	**2%**	**2%**	–%
A Eglezos	Actual	59%	**14%**	**5%**	**19%**	22%
J R Paull	Actual	57%	**13%**	**5%**	**18%**	25%
J W Cahill[2]	Actual	61%	**39%**	**–**	**39%**	–

1. N J Baade resigned on 31 March 2023. There was no STI cash awarded to N J Baade for FY23.
2. J W Cahill commenced on 3 April 2023. STI cash includes a sign-on bonus and pro-rata STI for FY23 performance. There were no performance rights issued.

Non-statutory executive remuneration

The non-statutory executive remuneration is the remuneration earned by KMP executives in FY23 and is set out below with calculations of equity value both at the vesting date and based on the face value at the beginning of the relevant performance period. Starpharma discloses non-statutory remuneration voluntarily because it includes the face value of equity that vested in FY23. For LTI equity, the reported value reflects the KMP executive performance over three years including the impact of movement in the share price over the three-year period.

The table differs from the remuneration details prepared above in this section 6 of this report, which are prepared in accordance with statutory obligations and accounting standards and presents the expensing of the fair value of performance rights over their vesting period, and may include the expensing of rights that may not ultimately vest into ordinary shares.

2023

Name	Fixed remuneration[1] $	STI cash paid in FY23[2] $	STI equity vested in FY23 based on face value[3] $	STI equity vested in FY23 based on share price at vesting date[4] $	LTI equity vested in FY23 based on face value[3] $	LTI equity vested in FY23 based on share price at vesting date[4] $	Total non-statutory remuneration earned based on face value of equity[3] $	Total non-statutory remuneration earned based on share price at vesting date[4] $	Total remuneration per accounting standards[5] $
J K Fairley	600,700	179,738	122,295	19,685	258,324	118,310	1,161,057	918,433	1,070,744,
N J Baade[6]	223,965	73,000	–	–	131,584	60,264	428,549	357,229	333,323
A Eglezos	299,429	73,000	38,447	6,188	129,987	59,533	540,863	438,150	521,415
J R Paull	309,199	75,000	42,755	6,882	147,596	67,598	574,550	458,679	560,596
J W Cahill[7]	77,574	25,000	–	–	–	–	102,574	102,754	127,697

1. Base salary, superannuation and non-monetary benefits such as novated motor vehicle lease and car park benefits.
2. STI cash paid during the financial year. The amount disclosed for FY23 reflects cash bonuses awarded for the FY22 performance period, except for a $25,000 sign-on bonus paid to J W Cahill in FY23.
3. Value of equity rights that vested during the year, based on the face value of the performance rights based on the 3–month VWAP prior to the start of the relevant performance period (1 July). Vested rights will remain as rights in subsequent periods until exercised. The STI equity was granted in FY22 and the LTI equity was granted in FY20.
4. Value of equity rights that vested during the year, based on the opening price on the date of vesting. Vested rights will remain as rights in subsequent periods until exercised. The STI equity was granted in FY22 and the LTI equity was granted in FY20.
5. In accordance with statutory obligations and accounting standards in section 6 of this report, which includes expensing of rights over their entire vesting period, and rights that may not ultimately vest into ordinary shares.
6. N J Baade resigned 31 March 2023.
7. J W Cahill commenced 3 April 2023.

Equity awards and share price

The total non-statutory remuneration based on the vesting date share price is lower than the total remuneration per accounting standards and the non-statutory remuneration based on face value. The lower amount is primarily driven by the value attached to the equity awards that vested in FY23.

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

For each cash bonus and grant of equity included in the tables on pages 51 to 57, 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. The CEO was awarded 53% of her maximum cash bonus entitlement of $140,850 in FY23, with the balance of 47% forfeited as described above in the report. STI cash bonuses for Other KMP executives are paid at the absolute discretion of the Board based on an individual's performance within the year, hence there is no component forfeited to report.

6. Details of Remuneration continued

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

						Performance rights
Name	Grant date fair value of rights granted during 2023[1,2] $	Financial year granted	Vested %	Forfeited %	Financial years in which rights may vest	Maximum fair value yet to vest $
J K Fairley	527,554	2023	–	47%	30/06/2024	62,975
		2023	–	–	30/06/2026	377,054
		2022	70%	30%	30/06/2023	37,729
		2022	–	–	30/06/2025	258,115
		2021	78%	22%	30/06/2022	–
		2021	–	64%	30/06/2024	10,828
		2020	38%	62%	30/06/2023	30,964
		2019	65%	35%	30/06/2022	–
N J Baade	187,066	2023	42%	58%	30/06/2024	–
		2023	–	100%	30/06/2026	–
		2022	–	100%	30/06/2023	–
		2022	–	100%	30/06/2025	–
		2021	83%	17%	30/06/2022	–
		2021	53%	47%	30/06/2024	–
		2020	67%	33%	30/06/2023	–
		2019	82%	18%	30/06/2022	–
J R Paull	204,334	2023	–	30%	30/06/2024	30,313
		2023	–	–	30/06/2026	148,832
		2022	78%	22%	30/06/2023	13,769
		2022	–	–	30/06/2025	90,690
		2021	86%	14%	30/06/2022	–
		2021	–	34%	30/06/2024	54,362
		2020	69%	31%	30/06/2023	11,772
		2019	84%	16%	30/06/2022	–
A Eglezos	187,066	2023	–	39%	30/06/2024	24,169
		2023	–	–	30/06/2026	136,254
		2022	77%	23%	30/06/2023	12,381
		2022	–	–	30/06/2025	83,034
		2021	86%	14%	30/06/2022	–
		2021	–	37%	30/06/2024	40,313
		2020	66%	34%	30/06/2023	10,414
		2019	81%	19%	30/06/2022	–

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

Services from entities controlled by KMP

Subsidiary, Starpharma Pty Ltd, paid $13,236 for consulting services in FY23 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. Executive Employment Agreements

Remuneration and other terms of employment for executives are formalised in employment agreements which set out duties, rights and responsibilities, and entitlements on termination. All executives also have a formal position description for their role.

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

CEO and Managing Director (J K Fairley)

- No fixed term of agreement.
- Base salary, inclusive of superannuation, per annum as at 30 June 2023 of $597,616, to be reviewed annually by the Remuneration and Nomination Committee.
- A cash bonus up to $265,756 for the year to 30 June 2023 allocated proportionately on the achievement of predetermined KPIs.
- The CEO is entitled to participate in a STI and LTI equity plan, subject to receiving any required or appropriate shareholder approval.
- Fringe benefits consist of on-site car parking.

The CEO's termination provisions are as follows:

	Notice period	Payment in lieu of notice	Treatment of equity STI	Treatment of LTI
Resignation	12 months	N/A	Unvested awards forfeited	Unvested awards forfeited
Termination for cause	None	None	Unvested awards (including an exercisable, vested right) forfeited	Unvested awards (including an exercisable, vested right) forfeited
Termination without cause, including redundancy	12 months	6 months payment in lieu of notice with 6–month notice period	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.

7. Executive Employment Agreements continued

Other KMP executives

Standard executive termination provisions are as follows:

	Notice period	Payment in lieu of notice	Treatment of equity STI	Treatment of LTI
Resignation	3 months	N/A	Same as for CEO	Same as for CEO
Termination for cause	None	None	Same as for CEO	Same as for CEO
Termination without cause, including redundancy	Typically 3 months (range 3–6 months)	3 months (3–6 months)	Same as for CEO	Same as for CEO
Termination in cases of death, disablement, or other cause approved by the Board	N/A	N/A	Same as for CEO	Same as for CEO

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

8. Additional Disclosures Relating to Employee Equity Schemes

Ordinary shares

The number of ordinary shares in the company provided as remuneration during the financial year to any of the directors or the key management personnel of the group, including their close family members and entities related to them, are set out below. The table may also reflect changes to shareholdings which are unrelated to remuneration.

2023 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*	Balance at the end of the year
Directors					
R B Thomas	900,000	–	–	50,000	950,000
J K Fairley	3,975,434	–	–	80,000	4,055,434
Z Peach[1]	57,449	–	–	–	57,449
D J McIntyre	16,240	–	–	–	16,240
L Cheng	60,000	–	–	–	60,000
J R Davies	50,000	–	–	–	50,000
R Basser[2]	–	–	–	–	–
Other KMP executives					
N J Baade[3]	354,300	–	1,275,425	–	N/A
A Eglezos	267,542	–	–	–	267,542
J R Paull	41,106	–	–	–	41,106
J W Cahill[4]	–	–	–	–	–

* Other changes relate to market transactions.

1. Resigned as non-executive director on 29 November 2022.
2. Appointed as non-executive director on 20 February 2023.
3. Resigned on 31 March 2023.
4. Appointed 3 April 2023.

Performance rights

The number of rights over ordinary shares in the company provided as remuneration during the financial year to any of the executive directors and the KMP executives, including their close family members and entities related to them, are set out below. No non-executive director held performance rights in FY23 or the prior year.

2023 Name	Balance at the start of the year	Granted during the year as compen-sation	Exercised during the year	Other changes during the year#	Balance at the end of the year	Vested and exercisable at the end of the year	Total unvested
Directors							
J K Fairley	5,502,890	1,139,696	–	(362,416)	6,280,170	4,108,613	2,171,512
Other KMP executives							
N J Baade[1]	1,526,065	325,000	(1,275,425)	(575,640)	–	–	–
A Eglezos	1,520,533	325,000	–	(58,243)	1,787,290	1,166,210	621,080
J R Paull	1,730,129	355,000	–	(58,905)	2,026,224	1,347,624	678,600
J W Cahill[2]	–	–	–	–	–	–	–

Other changes during the year relate to the forfeiture of rights.

1. Resigned on 31 March 2023.
2. Appointed 3 April 2023.

The market value at vesting date of performance rights that vested during 2023 was $338,461 (2022: $1,330,125). The decrease in market value reflects a lower share price at date of vesting. No other shares were issued on the vesting of performance rights provided as remuneration to any of the directors or any KMP of the group in the current year.

The market value is calculated using the opening share price on the respective vesting/exercise date or forfeit date.

8. Additional Disclosures Relating to Employee Equity Schemes continued

Dilutionary impact of performance rights on issue

As at 30 June 2023 there were 17,548,885 performance rights on issue, representing 4.3% of the 410,493,077 shares on issue (SOI) at 30 June 2023. There were 10,093,639 rights which were held by KMP, representing 2.5% of SOI, of which 6,280,125 (1.5% of SOI) were approved by shareholders.

The terms and conditions of the grant of performance rights to the directors or 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	Fair value per right at grant date	% vested
17 October 2019	30 September 2022	537,200	Achievement of KPIs	$1.15	60
17 October 2019	30 September 2022	94,800	TSR	$0.71	0
21 November 2019	30 September 2022	375,758	Achievement of KPIs	$1.29	54
21 November 2019	30 September 2022	161,039	TSR	$0.85	0
30 October 2020	30 September 2023	637,704	Achievement of KPIs	$1.47	15
30 October 2020	30 September 2023	112,536	TSR	$1.20	0
20 November 2020	30 September 2023	446,021	Achievement of KPIs	$1.32	0
20 November 2020	30 September 2023	191,152	TSR	$0.96	0
25 October 2021	30 June 2023	115,400	Achievement of KPIs	$1.14	40
25 October 2021	30 September 2024	392,360	Achievement of KPIs	$1.14	0
25 October 2021	30 September 2024	69,240	TSR	$0.62	0
30 November 2021	30 June 2023	374,954	Achievement of KPIs	$1.09	18
30 November 2021	30 September 2024	118,406	TSR	$0.60	0
27 October 2022	30 June 2024	201,000	Achievement of KPIs	$0.61	14
27 October 2022	30 September 2025	683,400	Achievement of KPIs	$0.61	0
27 October 2022	30 September 2025	120,600	TSR	$0.36	0
29 November 2022	30 June 2024	227,930	Achievement of KPIs	$0.52	0
29 November 2022	30 September 2025	638,205	Achievement of KPIs	$0.52	0
29 November 2022	30 September 2025	273,516	TSR	$0.28	0

Information of the performance measures

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 42 of the remuneration report.

– End of remuneration report –

Shares Under Rights

Unissued ordinary shares of Starpharma Holdings Limited under the Employee Performance Rights Plan at the date of this report are as follows:

Grant date	Vesting date	Number of rights granted	Balance of rights at date of report
11 Nov 2015	30 Sep 2018	2,076,800	539,347
11 Nov 2015	30 Jun 2017	519,200	127,625
19 Nov 2015	30 Sep 2018	893,851	836,260
19 Nov 2015	30 Jun 2017	219,395	181,001
13 Oct 2016	30 Jun 2018	594,450	148,438
13 Oct 2016	30 Sep 2019	2,377,800	651,823
29 Nov 2016	30 Jun 2018	223,022	172,842
29 Nov 2016	30 Sep 2019	876,978	846,281
10 Aug 2017	30 Jun 2019	694,120	246,396
10 Aug 2017	30 Sep 2020	2,776,480	966,339
29 Nov 2017	30 Jun 2019	224,121	197,226
29 Nov 2017	30 Sep 2020	895,879	736,665
16 Aug 2018	30 Jun 2020	203,500	82,931
16 Aug 2018	30 Sep 2021	814,000	314,651
2 Nov 2018	30 Jun 2020	259,147	87,200
2 Nov 2018	30 Sep 2021	1,036,587	323,016
29 Nov 2018	30 Jun 2020	134,980	112,708
29 Nov 2018	30 Sep 2021	539,921	350,253
17 Oct 2019	30 Jun 2021	459,767	168,514
17 Oct 2019	30 Sep 2022	1,839,067	758,002
21 Nov 2019	30 Jun 2021	134,199	101,320
21 Nov 2019	30 Sep 2022	536,797	203,983
30 Oct 2020	30 Jun 2021	567,083	287,288
30 Oct 2020	30 Jun 2022	548,270	271,246
30 Oct 2020	30 Sep 2023	2,193,080	1,500,400
20 Nov 2020	30 Jun 2021	176,755	176,755
20 Nov 2020	30 Jun 2022	159,293	124,249
20 Nov 2020	30 Sep 2023	637,173	637,173
25 Oct 2021	30 Jun 2023	373,333	244,157
25 Oct 2021	30 Sep 2024	1,493,334	1,053,014
30 Nov 2021	30 Jun 2023	98,672	69,070
30 Nov 2021	30 Sep 2023	394,688	394,688
27 Oct 2022	30 Jun 2023	809,887	699,675
27 Oct 2022	30 Sep 2025	3,39,546	2,798,698
29 Nov 2022	30 Jun 2024	227,930	227,930
29 Nov 2022	30 Sep 2025	911,721	911,721

Performance rights and the resultant shares are granted for nil consideration.

Insurance of Officers

During the financial year, Starpharma Holdings Limited paid a premium to insure the directors and executive officers of the company 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.

Shares Issued on the Exercise of Vested Rights

The following ordinary shares of Starpharma Holdings Limited were issued during the year to the date of this report on the exercise of vested performance rights granted under the Employee Performance Rights Plan. The shares are issued for nil consideration.

Date rights granted	Issue price of shares (Exercise price of right)	Number of shares issued
11 Nov 2015	$ –	301,182
13 Oct 2016	$ –	359,590
10 Aug 2017	$ –	354,270
16 Aug 2018	$ –	159,808
2 Nov 2018	$ –	72,000
17 Oct 2019	$ –	422,511
30 Oct 2020	$ –	285,389
27 Oct 2022	$ –	27,300

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	2023 $	2022 $
Audit or review of financial reports of the entity or any entity in the group under the *Corporations Act 2001*	**169,218**	155,250

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

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 62.

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, 24 August 2023

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of Starpharma Holdings Limited for the year ended 30 June 2023, 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 entity it controlled during the period.

Brad Peake
Partner
PricewaterhouseCoopers

Melbourne
24 August 2023

Annual Financial Report

FOR THE YEAR ENDED 30 JUNE 2023

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 on pages 4 to 17 and 25 to 29, which are not part of this financial report.

The financial statements were authorised for issue by the directors on 24 August 2023. 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 (www.starpharma.com), 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 2023

	Notes	30 June 2023 $'000	30 June 2022 $'000
Continuing operations			
Revenue	5	**4,208**	4,899
Cost of goods sold		**(1,120)**	(2,776)
Other income	5	**135**	263
Research and product development expense (net of R&D tax incentive)	6	**(11,239)**	(11,680)
Commercial and regulatory operating expense	6	**(3,854)**	(3,568)
Corporate, administration and finance expense	6	**(3,768)**	(3,292)
Loss before income tax		**(15,638)**	**(16,154)**
Income tax expense	7	**–**	–
Loss from continuing operations attributable to equity holders of the company		**(15,638)**	**(16,154)**
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company		**$**	**$**
Basic loss per share	26	**($0.04)**	($0.04)
Diluted loss per share	26	**($0.04)**	($0.04)

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

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	30 June 2023 $'000	30 June 2022 $'000
Loss for the period	(15,638)	(16,154)
Other comprehensive income (loss)		
Items that may be reclassified to profit or loss	–	–
Other comprehensive income (loss) for the period	–	–
Total comprehensive income (loss) for the period	(15,638)	(16,154)

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

Consolidated Balance Sheet

AS AT 30 JUNE 2023

	Notes	30 June 2023 $'000	30 June 2022 $'000
Current assets			
Cash and cash equivalents	8	**35,180**	49,918
Trade and other receivables	9	**9,169**	7,916
Inventories	10	**2,773**	2,824
Total current assets		**47,122**	**60,658**
Non-current assets			
Property, plant and equipment	11	**1,584**	1,336
Right-of-use assets	14	**3,380**	4,181
Total non-current assets		**4,964**	**5,517**
Total assets		**52,086**	**66,175**
Current liabilities			
Trade and other payables	12	**7,667**	7,731
Borrowings	13	**4,778**	–
Lease liabilities	14	**744**	695
Provision for employee benefits	15	**1,281**	1,339
Deferred income	5	**3**	466
Total current liabilities		**14,473**	**10,231**
Non-current liabilities			
Borrowings	13	**–**	4,000
Lease liabilities	14	**2,750**	3,494
Provision for employee benefits	15	**48**	57
Total non-current liabilities		**2,798**	**7,551**
Total liabilities		**17,271**	**17,782**
Net assets		**34,815**	**48,393**
Equity			
Contributed capital	16	**240,715**	240,669
Reserves	17	**28,299**	26,285
Accumulated losses	18	**(234,199)**	(218,561)
Total equity		**34,815**	**48,393**

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 2023

	Notes	Contributed capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2021		**240,630**	**24,077**	**(202,407)**	**62,300**
Loss for the year		–	–	(16,154)	(16,154)
Other comprehensive income (loss)		–	–	–	–
Total comprehensive income (loss) for the year		**–**	**–**	**(16,154)**	**(16,154)**
Transactions with owners, recorded directly in equity:					
Employee share plans	16	39	–	–	39
Employee performance rights plan	17	–	2,208	–	2,208
Total transactions with owners		**39**	**2,208**	**–**	**2,247**
Balance at 30 June 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**

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 2023

	Notes	30 June 2023 $'000	30 June 2022 $'000
Cash flows from operating activities			
Receipts from trade and other debtors (inclusive of GST)		**3,085**	4,846
Grant income and R&D tax incentives (inclusive of GST)		**7,146**	8,165
Payments to suppliers and employees (inclusive of GST)		**(24,681)**	(26,292)
Interest received		**1,194**	166
Interest paid		**(277)**	(47)
Net cash outflows from operating activities	25	**(13,533)**	**(13,162)**
Cash flow from investing activities			
Payments for property, plant and equipment		**(621)**	(837)
Proceeds from the sale of financial assets		**11**	1
Net cash outflows from investing activities		**(610)**	**(836)**
Cash flow from financing activities			
Proceeds from borrowings		**–**	4,000
Lease repayments		**(695)**	(772)
Net cash inflows (outflows) from financing activities		**(695)**	**3,228**
Net increase (decrease) in cash and cash equivalents held		**(14,838)**	**(10,770)**
Cash and cash equivalents at the beginning of the year		**49,918**	60,500
Effects of exchange rate changes on cash and cash equivalents		**100**	188
Cash and cash equivalents at the end of the year		**35,180**	**49,918**

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

Notes to the Consolidated Financial Statements

30 JUNE 2023

1. Significant 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 applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2022:

- AASB 2020–3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141].

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) Early adoption of standards

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2022.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(v) 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.

(vi) Going concern

For the year ended 30 June 2023, the group has incurred losses from continuing operations of $15,638,000 (2022: $16,154,000) and experienced net cash outflows of $13,533,000 from operations (2022: $13,162,000), as disclosed in the income statement and statement of cash flows, respectively. The 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 2024. 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

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the group as at 30 June 2023 and the results of all subsidiaries for the year then ended.

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.

1. Significant Accounting Policies continued

(b) Principles of consolidation continued

(i) Subsidiaries continued

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.

(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.

(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.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

(e) Revenue recognition

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

(f) Government grants

Grants from the Australian Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all relevant conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. All government grants, with the exception of the Australian Government Research and Development Tax Incentive (note 3(ii)), are recorded in the income statement within Other Income (note 5).

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity, respectively. The company and its wholly-owned Australian controlled entity, Starpharma Pty Limited, are not consolidated for tax purposes.

(i) Investment allowances and similar tax incentives

Companies within the group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. investment allowances). The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(h) Leases

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

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite life are not subject to amortisation. They are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(j) Cash and cash equivalents

For the purpose of presentation in the 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.

(k) 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.

(l) 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.

(m) Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortised cost.

The classification depends on the each entity's business model for managing the financial assets and the contractual terms of the cash flows.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 9) in the balance sheet.

1. Significant Accounting Policies continued

(n) 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 4.5 years at the reporting date) or the estimated useful life of the improvement to the group, whichever is shorter.

(o) 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.

(p) 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.

(q) 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.

(r) 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 and pension benefits

Group companies make the statutory superannuation guarantee contribution in respect of each employee to their nominated complying superannuation or pension fund. In certain circumstances pursuant to an employee's employment contract the group companies may also be required to make additional superannuation or pension 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 or pension plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

(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 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, please refer to note 27 and the remuneration report under the directors' report.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

1. Significant Accounting Policies continued

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) 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.

(x) 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.

(y) 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 2023 for US$ of $0.6634 and for £ of $0.5243 was as follows:

	30 June 2023 US$ $'000	30 June 2022 US$ $'000	30 June 2023 £ £'000	30 June 2022 £ £'000
Cash and cash equivalents	**328**	1,325	**510**	352
Trade and other receivables	**382**	22	**–**	56
Trade and other payables	**171**	867	**2,363**	2,136

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 2023 $'000 US$	30 June 2022 $'000 US$	30 June 2023 £'000 £	30 June 2022 £'000 £
Australian dollar strengthens (increases) against the foreign currency by 10%	**(74)**	(63)	**321**	277
Australian dollar weakens (decreases) against the foreign currency by 10%	**90**	77	**(393)**	(338)

2. Financial Risk Management continued

(a) Market risk continued

(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 2023 $'000	30 June 2022 $'000
Term deposits and deposits at call	**33,519**	45,792

Group sensitivity

At 30 June 2023, 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 $168,000 higher or lower (2022 – change of 50 bps: $229,000 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) Income taxes

The group is subject to income taxes in Australia. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination may be uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. The group has not recognised deferred tax assets or liabilities, including from carried forward losses, due to the realisation of such benefits being uncertain. The utilisation of tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are sought to be recouped.

(ii) 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 2023, the group has recorded a contra research and development expense of $7,631,000 (2022: $7,261,000). The total R&D Tax Incentive receivable recorded at 30 June 2023 is $7,244,000 (2022: $6,747,000).

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 2023 $'000	30 June 2022 $'000
Revenue from contracts with customers	2,939	4,682
Interest revenue	1,269	217
Total revenue from continuing operations	**4,208**	**4,899**
Other income	135	263
Total revenue and other income from continuing operations	**4,343**	**5,162**

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers includes licensing revenue, products sales, royalties, and research revenue from partners.

Total revenue from contracts with customers for the year was $2,939,000 (2022: $4,682,000), which is predominately product sales and royalties on VIRALEZE™ and VivaGel® products.

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 2023 $'000	30 June 2022 $'000
Trade and other receivables	604	519
Contract liabilities	(3)	(466)

Customer trade and other receivables as at 30 June 2023 are $604,000.

Contract liabilities for the prior year included $435,000 for potential VivaGel® BV product discounts, that were dependent on product registrations in certain countries. The liability for product discounts was no longer probable at the reporting date.

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 are 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.

5. Revenue and Other Income continued

Performance obligations continued

(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.

Other income

Other income of $135,000 (2022: $258,000) primarily relates to proceeds received from an insurance claim. For the prior year, other income included Medical Research Future Fund (MRFF) grant funding for the development of VIRALEZE™.

6. Expenses

	30 June 2023 $'000	30 June 2022 $'000
Loss from continuing operations before income tax expense includes the following items:		
R&D tax incentive (contra expense)[1]	**(7,631)**	(7,261)
Employee benefits expenses (including share-based payments)	**10,334**	10,427
Depreciation of property, plant and equipment	**392**	355
Depreciation of right-of-use assets	**802**	723

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

7. Income Tax Expense

	30 June 2023 $'000	30 June 2022 $'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	(15,638)	(16,154)
Tax at the Australian tax rate of 30% (2022: 30%)	(4,691)	(4,846)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Eligible expenses claimed under R&D tax incentive	2,706	2,475
Share-based payments	618	674
Sundry items	64	(122)
Future income tax benefits not brought to account	1,431	1,822
Income tax expense	–	–
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised (as recovery is currently not probable)	135,502	131,620
Potential tax benefit	40,650	39,486
(d) Unrecognised temporary differences		
Temporary differences for which no deferred tax asset has been recognised (as recovery is currently not probable)	5,068	5,282
Unrecognised deferred tax relating to the temporary differences	1,520	1,585
(e) Deferred tax liabilities		
Unrecognised deferred tax liabilities relating to the above temporary differences:		
Lease right-of-use assets	1,014	1,254
Property, plant and equipment	356	261
Sundry items	4	4
Total deferred tax liabilities	1,374	1,519
Set-off of deferred tax assets pursuant to set-off provisions	(1,374)	(1,519)
Net deferred tax liabilities	–	–

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 2023 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 2023, which it believes will be satisfied.

8. Current Assets – Cash and Cash Equivalents

	30 June 2023 $'000	30 June 2022 $'000
Cash at bank and on hand	1,661	4,126
Term deposits and deposits at call	33,519	45,792
	35,180	49,918

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 $1,198,000 (2022: $1,163,000) 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 2023	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	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	4,778	–	–	–	–	4,778	4,778
		4,778	744	2,750	–	7,667	15,939	15,939
Weighted average interest rate		*4.1%*	*4.1%*	*4.2%*	*–%*	*–%*		

30 June 2022	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	6,597	39,195	–	–	4,126	49,918	N/A
Receivables	9	–	–	–	–	7,916	7,916	7,916
		6,597	**39,195**	**–**	**–**	**12,042**	**57,834**	**7,916**
Weighted average interest rate		*1.0%*	*1.6%*	*–%*	*–%*	*–%*		
Financial liabilities								
Payables	12	–	–	–	–	7,731	7,731	7,731
Lease liabilities	14	–	695	3,125	369	–	4,189	4,189
Borrowings	13	4,000	–	–	–	–	4,000	4,000
		4,000	**695**	**3,125**	**369**	**7,731**	**15,920**	**15,920**
Weighted average interest rate		*1.0%*	*4.1%*	*4.2%*	*4.4%*	*–%*		

9. Current Assets – Trade and Other Receivables

	30 June 2023 $'000	30 June 2022 $'000
Trade and grant receivables	**7,857**	7,285
Interest receivables	**128**	53
Prepayments	**934**	80
Other receivables	**250**	498
	9,169	**7,916**

Trade and grant receivables

Trade and grant receivables primarily comprise of $7,244,000 (2022: $6,747,000) of expenditure reimbursable under the Australian Government's Research & Development 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.

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 2023, there were no material trade and grant receivables that were past due (2022: nil). The group applies the accounting policy in note 1(k) to trade receivables. Under the expected credit loss model, no receivables are considered impaired at 30 June 2023 (2022: nil).

10. Inventories

Current assets	30 June 2023 $'000	30 June 2022 $'000
Raw materials	2,578	2,316
Work in progress	–	249
Finished goods	195	259
	2,773	2,824

Assigning costs to inventories

The costs of individual items of inventory are determined using the weighted average cost method. See note 1(l) 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 2023 amounted to $1,120,000 (2022: $2,776,000). These were included in cost of goods sold.

Write-downs of inventories to net realisable value amounted to $16,000 (2022: $nil). 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 2021			
Cost	4,412	659	5,071
Accumulated depreciation	(3,113)	(585)	(3,698)
Net book amount	**1,299**	**74**	**1,373**
Year ended 30 June 2022			
Opening net book amount	1,299	74	1,373
Additions	754	32	786
Disposals	(6)	–	(6)
Reclassify as right-of-use asset	(462)	–	(462)
Depreciation	(288)	(67)	(355)
Closing net book amount	**1,297**	**39**	**1,336**
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**

12. Current Liabilities – Trade and Other Payables

	30 June 2023 $'000	30 June 2022 $'000
Trade payables and accruals	**6,615**	6,762
Other payables	**1,052**	969
	7,667	**7,731**

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 $4,000,000 (2022: $4,000,000) relate to an Invest Victoria low-interest R&D cash flow loan with Treasury Corporation of Victoria. The loan initiative supports innovative Victorian entities to invest in research and development activities. The facility matures in October 2023 and is secured against the current year R&D tax incentive receivable. The interest rate was 4.3% per annum at the reporting date.

Borrowings of $777,534 (2022: $nil) relate to an insurance premium loan maturing December 2023, interest rate 3.0%.

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

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	30 June 2023 $'000	30 June 2022 $'000
Premises	**2,950**	3,606
Plant and equipment	**430**	575
	3,380	**4,181**
Lease liabilities		
Current	**744**	695
Non-current	**2,750**	3,494
	3,494	**4,189**

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:

Depreciation charge of right-of-use assets	30 June 2023 $'000	30 June 2022 $'000
Premises	**655**	594
Plant and equipment	**146**	129
Total depreciation charge of right-of-use assets	**801**	**723**
Interest expense on lease liabilities	**156**	42
Expense relating to leases of low-value assets	**7**	4
Expense relating to variable lease payments not included in lease liabilities	**91**	60
Total cash outflow for leases	**851**	814

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

Leave obligations	30 June 2023 $'000	30 June 2022 $'000
Current	**1,281**	1,339
Non-current	**48**	57
	1,329	**1,396**

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 $919,000 (2022: $979,000).

Refer to note 1(r) for further information.

16. Contributed Equity

(a) Share capital

	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Share capital				
Ordinary shares – fully paid	**410,493,077**	408,443,407	**240,715**	240,669

(b) Movements in ordinary share capital

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**

Date	Details	Number of shares	Issue price	$'000
1 Jul 2021		406,078,026		240,630
13 Sep 2021	Employee performance rights plan share issue	159,857	$ –	–
1 Nov 2021	Employee performance rights plan share issue	442,272	$ –	–
1 Feb 2022	Employee share plan ($1,000) issue	37,128	$ 1.07	39
1 Feb 2022	Employee performance rights plan share issue	691,850	$ –	–
17 Mar 2022	Employee performance rights plan share issue	35,281	$ –	–
27 May 2022	Employee performance rights plan share issue	998,993	$ –	–
	Balance at 30 June 2022	**408,443,407**		**240,669**

16. Contributed Equity continued

(c) Ordinary shares

As at 30 June 2023 there were 410,493,077 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 2023 $'000	30 June 2022 $'000
Share-based payments reserve	28,299	26,285
	28,299	**26,285**

(b) Movement in reserves

Share-based payments reserve	30 June 2023 $'000	30 June 2022 $'000
Balance at 1 July	26,285	24,077
Performance right expense	2,014	2,208
Balance at 30 June	**28,299**	**26,285**

(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 2023 $'000	30 June 2022 $'000
Accumulated losses balance at 1 July	(218,561)	(202,407)
Net loss for the year	(15,638)	(16,154)
Accumulated losses balance at 30 June	**(234,199)**	**(218,561)**

19. Related Party Transactions

(a) Parent entity and subsidiaries

The parent entity of the group is Starpharma Holdings Limited. Interests in subsidiaries are set out in note 24.

(b) Key management personnel compensation

	30 June 2023 $	30 June 2022 $
Short-term employee benefits	**2,141,908**	2,363,172
Post-employment benefits	**143,928**	150,685
Other long-term benefits	**32,105**	22,000
Termination benefits	**109,353**	
Share-based payments	**622,600**	897,570
	3,049,894	**3,433,427**

Detailed remuneration disclosures are provided in the remuneration report on page 31.

(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 other related parties

The group paid $13,236 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 2023 $	30 June 2022 $
Auditors of the group – PwC		
Audit and review of financial reports of the entity or any entity in the consolidated entity	**169,218**	155,250
Other assurance services	**–**	6,630
Total services provided by PwC	**169,218**	**161,880**

21. Events Occurring After the Balance Sheet Date

On 14 August 2023, Starpharma received a payment from Mundipharma for US$4.25 million (A$6.56 million), in return, Starpharma terminated its VivaGel® BV license and supply agreement with Mundipharma, regaining all commercial rights to VivaGel® BV, enabling Starpharma to sign new marketing arrangement for the product. The financial effects of this commercial agreement have not been recognised at 30 June 2023.

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 that the asymptomatic adverse events leading to this decision were not related to the dendrimer component of AZD0466. Starpharma's DEP® Licence Agreement with AstraZeneca remains in effect.

22. Commitments

(a) Capital commitments

There is no material capital expenditure contracted not recognised as liabilities at the reporting date (2022: 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

Starpharma has licensed VivaGel® BV in the US to ITF Pharma and is eligible to receive up to US$101 million in regulatory approval and commercialisation milestones, plus royalties on net sales. Upon receipt of cash proceeds under the licence, Starpharma is required to pay a small proportion of its receipts to an investment bank which advised on the competitive licence process, up to a maximum of US$1.35 million over the life of the licence (2022: US$1.35 million).

Starpharma engaged a number of service providers to develop and assist with the implementation of a full direct to market commercialisation plan for VIRALEZE™ antiviral nasal spray. In order to preserve capital, Starpharma negotiated to defer a majority of the fee to a service provider, subject to future VIRALEZE™ sales performance and licensing proceeds. The maximum amount payable under the arrangement at 30 June 2022 was A$1.2 million. The obligation under the arrangement has now ceased, with no further amount payable.

The company has no contingent assets at 30 June 2023 (2022: nil).

24. 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).

			Equity holding	
Name of entity	Country of incorporation	Class of shares	2023 %	2022 %
Starpharma Pty Limited	Australia	Ordinary	**100.00%**	100.00%

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

	30 June 2023 $'000	30 June 2022 $'000
Operating profit/(loss) after tax	**(15,638)**	**(16,154)**
Adjustments for:		
Depreciation and amortisation	**1,193**	1,079
Foreign exchange (gain)/loss	**(100)**	(188)
Non-cash employee benefits: share-based payments	**2,060**	2,247
Net gain/(loss) on sale of property, plant and equipment	**(6)**	(6)
Change in operating assets and liabilities, net of effects of acquisitions and disposals of entities:		
Decrease/(increase) in receivables and other assets	**(1,257)**	629
(Increase)/decrease in inventories	**51**	(1,103)
Increase/(decrease) increase in trade creditors	**(84)**	289
Increase in employee provisions	**(67)**	(9)
Increase/(decrease) in deferred income	**(463)**	54
(Decrease)/increase in other liabilities	**778**	–
Net cash outflows from operating activities	**(13,533)**	**(13,162)**

26. Earnings Per Share

	30 June 2023	30 June 2022
Basic earnings/(loss) per share/Diluted earnings/(loss) per share		
Total earnings/(loss) per share attributable to the ordinary equity holders of the company ($)	**(0.04)**	(0.04)
Reconciliations of earnings/(loss) used in calculating earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings/(loss) per share: ($'000)	**(15,638)**	(16,154)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	**409,035,257**	406,900,098

As at 30 June 2023 the company had on issue 17,548,885 (30 June 2022: 15,784,044) 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

In 2010 the Board approved the introduction of the Employee Performance Rights Plan (Plan), which was subsequently approved by shareholders at the 2011, 2014, 2017 and 2020 Annual General Meetings. 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 2023 was $0.57 per right (2022: $1.09). There were 5,189,084 performance rights granted in the current year (2022: 2,360,027).

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.

27. Share-Based Payments continued

Performance Rights continued

(b) Fair value of performance rights granted continued

Set out below are summaries of performance rights:

2023

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	185,750	–	58,125	–	127,625
11 Nov 2015	30 Sep 2018	782,404	–	243,057	–	539,347
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	211,876	–	63,438	–	148,438
13 Oct 2016	30 Sep 2019	947,975	–	296,152	–	651,823
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	302,268	–	55,872	–	246,396
10 Aug 2017	30 Sep 2020	1,264,737	–	298,398	–	966,339
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	116,378	–	33,447	–	82,931
16 Aug 2018	30 Sep 2021	441,012	–	126,361	–	314,651
2 Nov 2018	30 Jun 2020	87,200	–	–	–	87,200
2 Nov 2018	30 Sep 2021	395,016	–	72,000	–	323,016
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	212,629	–	44,115	–	168,514
17 Oct 2019	30 Sep 2022	1,339,175	–	378,396	202,777	758,002
21 Nov 2019	30 Jun 2021	101,320	–	–	–	101,320
21 Nov 2019	30 Sep 2022	536,797	–	–	332,814	203,983
30 Oct 2020	30 Jun 2021	365,085	–	77,797	–	287,288
30 Oct 2020	30 Jun 2022	389,122	–	110,756	7,120	271,246
30 Oct 2020	30 Sep 2023	1,712,160	–	96,836	114,924	1,500,400
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	–	–	–	637,173
25 Oct 2021	30 Jun 2023	305,673	–	–	61,516	244,157
25 Oct 2021	30 Sep 2024	1,222,694	–	–	169,680	1,053,014
30 Nov 2021	30 Jun 2023	98,672	–	–	29,602	69,070
30 Nov 2021	30 Sep 2024	394,688	–	–	–	394,688
27 Oct 2022	30 Jun 2024	–	809,887	27,300	82,912	699,675
27 Oct 2022	30 Sep 2025	–	3,239,546	–	440,848	2,798,698
29 Nov 2022	30 Jun 2024	–	227,930	–	–	227,930
29 Nov 2022	30 Sep 2025	–	911,721	–	–	911,721
Total		15,784,044	5,189,084	1,982,050	1,442,193	17,548,885

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

2022

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	245,625	–	59,875	–	185,750
11 Nov 2015	30 Sep 2018	1,051,794	–	269,390	–	782,404
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	277,314	–	65,438	–	211,876
13 Oct 2016	30 Sep 2019	1,323,372	–	375,397	–	947,975
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	409,980	–	107,712	–	302,268
10 Aug 2017	30 Sep 2020	1,741,547	–	476,810	–	1,264,737
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	170,356	–	53,978	–	116,378
16 Aug 2018	30 Sep 2021	814,000	–	210,623	162,365	441,012
2 Nov 2018	30 Jun 2020	97,600	–	10,400	–	87,200
2 Nov 2018	30 Sep 2021	780,609	–	335,851	49,742	395,016
29 Nov 2018	30 Jun 2020	112,708	–	–	–	112,708
29 Nov 2018	30 Sep 2021	539,921	–	–	189,668	350,253
17 Oct 2019	30 Jun 2021	379,034	–	166,405	–	212,629
17 Oct 2019	30 Sep 2022	1,701,175	–	–	362,000	1,339,175
21 Nov 2019	30 Jun 2021	101,320	–	–	–	101,320
21 Nov 2019	30 Sep 2022	536,797	–	–	–	536,797
30 Oct 2020	30 Jun 2021	561,459	–	196,374	–	365,085
30 Oct 2020	30 Jun 2022	536,878	–	–	147,756	389,122
30 Oct 2020	30 Sep 2023	2,147,512	–	–	435,352	1,712,160
20 Nov 2020	30 Jun 2021	176,755	–	–	–	176,755
20 Nov 2020	30 Jun 2022	159,293	–	–	35,044	124,249
20 Nov 2020	30 Sep 2023	637,173	–	–	–	637,173
25 Oct 2021	30 Jun 2023	–	373,333	–	67,660	305,673
25 Oct 2021	30 Sep 2024	–	1,493,334	–	270,640	1,222,694
30 Nov 2021	30 Jun 2023	–	98,672	–	–	98,672
30 Nov 2021	30 Sep 2024	–	394,688	–	–	394,688
Total		**17,472,497**	**2,360,027**	**2,328,253**	**1,720,227**	**15,784,044**

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 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.

Information used in assessing the fair value of performance rights granted during the year ended 30 June 2022 is as follows:

Right grant date	25 October 2021	25 October 2021	25 October 2021
Number of rights granted	373,333	1,401,054	92,280
Vesting date	30 June 2023	30 September 2024	30 September 2024
Performance measure	KPIs	KPIs	TSR
Expected price volatility of the company's shares	60%	60%	60%
Risk-free interest rate	0.26%	0.65%	0.65%
Expected dividend yield	–	–	–
Share price at grant date	$1.14	$1.14	$1.14
Assessed fair value	$1.14	$1.14	$0.62

Right grant date	30 November 2021	30 November 2021	30 November 2021
Number of rights granted	98,672	276,282	118,406
Vesting date	30 June 2023	30 September 2024	30 September 2024
Performance measure	KPIs	KPIs	TSR
Expected price volatility of the company's shares	60%	60%	60%
Risk-free interest rate	0.37%	0.83%	0.83%
Expected dividend yield	–	–	–
Share price at grant date	$1.09	$1.09	$1.09
Assessed fair value	$1.09	$1.09	$0.60

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.

(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 2023 was $0.68 per share (2022: $1.07 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.

Information used in assessing the fair value of shares granted during the year ended 30 June 2023 is as follows:

Share grant date	1 February 2023
Number of shares granted	67,620
Share price at grant date	$0.68
Assessed fair value	$0.68

Information used in assessing the fair value of shares granted during the year ended 30 June 2022 is as follows:

Share grant date	1 February 2022
Number of shares granted	37,128
Share price at grant date	$1.07
Assessed fair value	$1.07

27. Share-Based Payments continued

Expenses arising from share-based payment transactions

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

	30 June 2023 $'000	30 June 2022 $'000
Employee shares issued	**46**	39
Employee performance rights	**2,014**	2,208
	2,060	**2,247**

28. Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Parent entity	
	30 June 2023 $'000	30 June 2022 $'000
Balance sheet		
Current assets	**33,374**	44,890
Total assets	**33,374**	44,890
Current liabilities	**1,744**	779
Total liabilities	**1,744**	779
Shareholders' equity		
Contributed equity	**240,715**	240,669
Reserves	**27,790**	25,776
Accumulated losses	**(236,875)**	(222,334)
Loss for the year	**(14,541)**	(13,583)
Total comprehensive income	**(14,541)**	(13,583)

(b) Contingencies of the parent entity

The parent entity has no contingent assets or liabilities at 30 June 2023 (2022: nil).

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2023

In the directors' opinion:

(a) the financial statements and notes set out on pages 63 to 94 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 2023 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.

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,
24 August 2023

Independent Auditor's 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 entity (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 2023 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 Group financial report comprises:

- the consolidated balance sheet as at 30 June 2023
- the consolidated income statement for the year then ended
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- 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.

Materiality	*Audit scope*
• For the purpose of our audit we used overall Group materiality of $781,000, which represents approximately 5% of the Group's loss before income tax. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group loss before income tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • All audit procedures are performed by PwC Australia, consistent with the location of Group management and financial records. • We tailored the scope of our audit taking into account the accounting processes and controls, and the industry in which the Group operates.

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 matters were 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 these matters. 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 *(Refer to note 3 critical accounting estimates and judgements, note 6 expenses and note 9 current assets - trade and other receivables)* The Group's research and development (R&D) activities are eligible for a refundable tax offset under an Australian Government Tax Incentive. 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 2023 was $7.24 million and $7.63 million was recognised as contra R&D expense in the income statement for the period ended 30 June 2023. This is a key audit matter due to: • the significance of the amount receivable as at 30 June 2023; 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.	We have performed the following procedures to assess the Group's estimate of the R&D Tax Incentive receivable as at 30 June 2023: • compared the estimate recorded in the financial statements as at 30 June 2022 to the amount of cash received after lodgement of the R&D Tax Incentive claim to assess historical accuracy of the estimate. • compared the nature of the underlying R&D expenditure included in the current year estimate to the prior year estimate. • assessed the nature of a sample of expenses against the eligibility criteria of the R&D Tax Incentive programme. • agreed a sample of eligible expenditure in the estimate to the general ledger or other underlying accounting records. • obtained copies of correspondence with the company's external tax advisor and agreed the advice to the R&D Tax Incentive calculation for the current financial year. • evaluated the reasonableness of the disclosure 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 2023, 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 that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the 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.

Independent Auditor's Report continued

TO THE MEMBERS OF STARPHARMA HOLDINGS LIMITED

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 33 to 58 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Starpharma Holdings Limited for the year ended 30 June 2023 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
24 August 2023

Shareholder Information

Supplementary information as required by ASX listing requirements.

A. Distribution of Equity Shareholders

Equity security holders by size of holding as at 11 August 2023:

	Class of equity security	
	Shares	Performance rights
1 -1,000	2,256	-
1,001-5,000	2,688	1
5,001-10,000	1,103	-
10,001-100,000	1,732	10
100,001 and over	303	33
Total	**8,082**	**47**

There were 3,031 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 11 August 2023:

		Ordinary shares	
	Name	Number held	Percentage of issued shares
1.	HSBC Custody Nominees (Australia) Limited	122,237,260	29.78
2.	JP Morgan Nominees Australia Pty Limited	37,825,457	9.21
3.	Citicorp Nominees Pty Limited	29,722,931	7.24
4.	BNP Paribas Noms Pty Ltd <DRP>	20,532,433	5.00
5	National Nominees Limited	5,752,680	1.40
6.	BNP Paribas Nominees Pty Ltd ACF Clearstream	5,064,744	1.23
7.	T & N Argyrides Investments P/L <T & N Argyrides Pension A/C>	5,060,000	1.23
8.	Mr Kingsley Bryan Bartholomew	3,427,025	0.83
9.	Applecross Secretarial Services Pty Ltd <L Gorr Family A/C>	3,361,550	0.82
10.	Ms Jacinth Fairley	3,252,386	0.79
11.	BNP Paribas Nominees Pty Ltd <IN AU Noms Retail Client> DRP>>Agency Lending DRP A/C>	2,814,519	0.69
12.	Mr Peter Murray Jackson DRP>>Agency Lending DRP A/C>	2,620,000	0.64
13.	HSBC Custody Nominees (Australia) Limited – A/C 2	2,564,149	0.62
14.	Dollar Coin Investments Pty Ltd <Cousins Discretionary A/C>	2,007,501	0.49
15.	Bell Potter Nominees Ltd	2,000,000	0.49
16.	Evelyn Family Beneficiary Pty Ltd	1,679,537	0.41
17.	Peppertree Custodian Services Pty Ltd <Mulcahy Superannuation>	1,644,450	0.40
18.	Mr Nigel James Baade	1,629,725	0.40
19.	Mr Thomas Harrington Mann	1,567,617	0.38
20.	Mr David Michael Hosey + Mrs Andrea Jane Hosey	1,477,652	0.36
		256,241,616	**62.42**

Shareholder Information continued

B. Equity Security Holders continued

Name	Unquoted equity securities over ordinary shares	
	Number on issue	Number of holders
Employee performance rights	17,548,885	42

C. Substantial Holders

Substantial shareholders with a shareholding greater than 5% as at 18 August 2023:

Name	Ordinary shares	
	Number held	Percentage of issue shares
Allan Gray Australia Pty Ltd	51,965,719	12.7
Allianz SE	48,480,000	11.8
M&G Plc	26,114,235	6.4
FIL Limited	25,777,420	6.3
ICM Investment Management Ltd	21,361,682	5.2

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 around 20 active patent families with over 200 granted patents and more than 70 patent applications pending.

Key patents within the Starpharma portfolio as at 31 July 2023:

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	Australia, Canada, Europe, Hong Kong, India, Japan, Malaysia, Mexico, New Zealand, Russian Federation, South Korea, Taiwan, USA	
Method of Treatment or Prophylaxis of Bacterial Vaginosis	16 May 2011 WO2012/000891	Australia, Brazil, Canada, China, Europe, Hong Kong, Israel, Japan, Mexico, Russia, South Korea, USA	India
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	India, USA
Dendrimer Drug Conjugates (DEP-Insulin/GLP1)	6 June 2014 WO 2015/184510	Europe, USA	India
Therapeutic Dendrimer (DEP-Cabazitaxel)	19 July 2018 WO2020/014750	USA	Australia, Brazil, Canada, China, Europe, India, Indonesia, Japan, Malaysia, Mexico, Saudi Arabia, Singapore, South Africa, South Korea
Dendrimer for Therapy and Imaging (DEP-radiotheranostic)	29 November 2018 WO2020/107078		Australia, Brazil, Canada, China, Europe, India, Indonesia, Israel, Japan, Malaysia, Mexico, Saudi Arabia, Singapore, South Africa, South Korea, USA

Intellectual Property Report continued

Title	Priority date and publication number	Patents granted	Applications pending
Drug Delivery patent portfolio (includes DEP® patents) *continued*			
Therapeutic Dendrimer (DEP-Irinotecan)	20 November 2018 WO2020/102852		Australia, Brazil, Canada, Chile, China, Europe, India, Indonesia, Israel, Japan, Malaysia, Mexico, Saudi Arabia, Singapore, South Africa, South Korea, UAE, USA
Therapeutic Dendrimer (DEP-GEM)	26 September 2019 WO2021/056077		Australia, Canada, China, Europe, India, Indonesia, Japan, Korea, Saudi Arabia, Singapore, South Africa, UAE, USA
Targeted Dendrimer Conjugates (DEP-targeted)	28 August 2019 WO2021/035310		Australia, Brazil Canada, China, Europe, India, Japan, Malaysia, Korea, Singapore, USA
Method of Prophylaxis of Coronavirus Infection	15 April 2020 WO/2021/207790	Australia	China, Europe, Hong Kong, Japan, Saudi Arabia, Singapore, South Africa, Taiwan, United Kingdom, United States
Dendrimer-drug conjugates (Remdesivir)	31 August 2020 WO2022/040761		Europe, India, United States

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

Corporate Directory

Company Name

Starpharma Holdings Limited
ABN 20 078 532 180

Directors

R B Thomas AO – *Chairman*

J K Fairley – *Chief Executive Officer and Managing Director*

D J McIntyre

L Cheng

J R Davies

R Basser

Company Secretary

Justin Cahill
Tracy Weimar

Registered Office

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Share Register

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452 Johnston Street
Abbotsford VIC 3067 Australia

GPO Box 2975
Melbourne VIC 3001 Australia

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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