

HEXIMA LIMITED
ASX ANNOUNCEMENT



29 February 2024

APPENDIX 4D & INTERIM FINANCIAL REPORT

MELBOURNE, AUSTRALIA (29 February 2024): Hexima Limited (ASX:HXL) provides the attached Appendix 4D and Interim Financial Report for the half year ended 31 December 2023.

This announcement is authorised for release to ASX by Board of Hexima Limited.

Enquiries:

Leanne Ralph
Company Secretary
info@hexima.com.au



APPENDIX 4D

Hexima Limited

ABN: 64 079 319 314

Results for announcement to the market for the half-year ended 31 December 2023.
ASX listing rule 4.2A.3.

Reporting period

Reporting period: 31 December 2023

Previous corresponding period: 31 December 2022

The 31 December 2023 Interim Consolidated Financial Report should be read in conjunction with the 2023 Annual Report.

Results for announcement to the market

		31 Dec 2023	31 Dec 2022	
		\$ '000	\$ '000	% Change
Revenue from ordinary activities	Decreased	82	1,401	(94%)
Loss from ordinary activities before tax	Decreased	385	1,550	(75%)
Loss from ordinary activities after tax	Decreased	385	1,550	(75%)

An explanation of the figures within this table is contained in the Directors' Report of the 31 December 2023 Interim Consolidated Financial Report.

Shareholder Distributions

No dividends have been paid or declared by the entity since the beginning of the current reporting period.

Net Tangible Assets per security

	31 Dec 2023	31 Dec 2022
	Cents	Cents
Net tangible asset per security (including right-of-use assets)	1.52	1.87

Commentary on the results of the period

Refer to the 31 December 2023 Interim Consolidated Financial Report attached.

Status of Audit

The independent auditor's review report, which is unmodified, is contained within the 31 December 2023 Interim Consolidated Financial Report.



Hexima Limited

ABN 64 079 319 314

INTERIM CONSOLIDATED FINANCIAL REPORT

For the half-year ended 31 December 2023



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Corporate directory

Directors

Mr Geoffrey Kempler
Mr Justin Yap
Mr Phillip Hains

Chairman and Managing Director
Non-Executive Director
Non-Executive Director

Company Secretary

Ms Leanne Ralph

Registered Office

Hexima Limited
Corporate One, 84 Hotham Street,
Preston, Victoria 3072, Australia

Share Registry

Link Market Services
Tower 4, Collins Square
727 Collins Street
Melbourne Victoria 3008, Australia

Auditor

William Buck
Level 20,
181 William Street
Melbourne Victoria 3000, Australia

Stock Exchange

Australian Securities Exchange Ltd

ASX code

HXL



Directors' Report

DIRECTORS

The Directors present their report, together with the financial statements, on the Group (referred to hereafter as the "Group") consisting of Hexima Limited (referred to hereafter as the "Company" or "Parent entity") and the entities it controlled at the end of, or during, the interim period ended 31 December 2023.

The Directors of Hexima Limited (the "Company") at any time during or since the end of the half-year ended 31 December 2023 (the "Interim Period") are:

Mr Geoffrey Kempler	Chairman and Managing Director	Appointed 5 September 2023
Professor Jonathan West	Chairman	Deceased 29 July 2023
Mr Justin Yap	Non-Executive Director	Director since 17 July 2018
Mr Phillip Hains	Non-Executive Director	Appointed 18 September 2023
Dr Nicole van der Weerden	Non-Executive Director	Director since 16 December 2014 Resigned 29 November 2023
Mr Michael Aldridge	Non-Executive Director	Director since 21 November 2018 Resigned 5 September 2023
Mr Scott Robertson	Non-Executive Director	Director since 21 November 2018 Resigned 5 September 2023
Mr Jason (Jake) Nunn	Non-Executive Director	Director since 1 September 2021 Resigned 5 September 2023

RESULTS AND REVIEW OF OPERATIONS

Financial results

The Group recorded a loss of \$384,769 for the half-year ended 31 December 2023, compared to a loss of \$1,550,475 for the prior corresponding period. This reduced loss largely reflects that the wind down of its research and development operations which were substantially completed in the prior period.

There was a net cash outflow for the half-year of \$276,437 compared with a net cash outflow of \$1,329,184 in the prior corresponding period.

As at 31 December 2023, the Group had \$2,650,564 in cash and receivables (30 June 2023: \$2,956,698).



Review of operations

Having completed the wind down of its pezadeftide development program in the 2023 financial year after the disappointing results of its phase II clinical trial program, the Company's activities during the half-year ended 31 December 2023 have largely involved finalising statutory compliance matters and actively exploring opportunities for transactions with third parties which could enable the potential value of the Company's assets, including its intellectual property and other intangible assets, to be realised. The Board continues to advance this goal of maximising shareholder value through a transaction.

Board changes

During the current period the Company also restructured its board. Following the passing of former Chairman Professor Jonathan West, Mr Geoffrey Kempler was appointed as the new Chairman and Managing Director on 5th September 2023. Mr Kempler is a qualified psychologist with extensive experience in investment and business development. He is Chairman and Founder of ASX listed Alterity Therapeutics Limited and was most recently Chairman of AusBiotech from November 2021 until November 2023, and Chairman of Opthea Limited from November 2015 until October 2020. At the Company's Annual General Meeting held 28th November 2023 the shareholders approved the issue of 3,350,000 share options (including the issue of shares on exercise of the options) to Mr Kempler under the Company's Long Term Incentive Plan.

Phillip Hains was appointed as a non-executive director on 18th September 2023. Mr Hains is a Chartered Accountant with over 30 years' experience and has served the needs of a number of company boards, committees and management.

With the appointment of a new Chairman to lead the future direction of the Company its US based directors, Michael Aldridge, Scott Robertson, and Jake Nunn, who had remained as Directors to assist the Company in its formulation of a new direction, considered it appropriate to offer their resignations.

Moreover, Dr Nicole van der Weerden, who had a long tenure with the Company as an executive and director and had also remained as a non-executive director in a continuing role supporting the finalisation of the wind-down process and exploring transaction opportunities, resigned as a non-executive director on 28 November 2023.

The Board expresses its sincere gratitude to each of Dr Nicole van der Weerden, Michael Aldridge, Scott Roberston and Jake Nunn for their dedication and commitment to the Company.

Significant changes in the state of affairs

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

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 immediately after this directors' report.

Subsequent events

There have been no events subsequent to balance sheet date which would have a material effect on the Group's financial statements as at 31 December 2023.

This report is made pursuant to a resolution of the Directors.

Geoffrey Kempler
Chairman and Managing Director
Dated 28 February 2024

Phillip Hains
Non-Executive Director

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Hexima Limited

As lead auditor for the review of Hexima Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director

Melbourne, 28 February 2024



INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

		Consolidated	
		31 Dec	31 Dec
		2023	2022
		\$	\$
Revenue	Notes		
Rental income		-	205,023
Research and development tax credits		61,674	1,147,554
Finance income		20,785	48,747
		82,459	1,401,324
Expenses			
Research and development		25,566	(868,393)
Patent and legal		-	(16,304)
Marketing and business development		-	(48,161)
Employee benefits		(168,522)	(1,494,487)
Depreciation		-	(11,442)
Administration		(324,166)	(479,712)
Finance expense		(106)	(33,300)
		(467,228)	(2,918,499)
Loss before income tax expense		(384,769)	(1,550,475)
Income tax expense		-	-
Loss after income tax for the half-year attributable to the owners of Hexima Limited		(384,769)	(1,550,475)
Other comprehensive income for the half-year, net of income tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Hexima Limited		(384,769)	(1,550,475)
Earnings per share:			
Basic and diluted loss per share (cents)	12	(0.23)	(0.93)

The accompanying notes form part of these interim financial statements



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
CURRENT ASSETS		
Cash and cash equivalents	1,912,951	2,189,388
Research and development tax credits receivable	695,171	633,497
Other receivables	42,442	133,813
TOTAL CURRENT ASSETS	2,650,564	2,956,698
TOTAL ASSETS	2,650,564	2,956,698
CURRENT LIABILITIES		
Trade and other payables	105,903	174,448
TOTAL CURRENT LIABILITIES	105,903	174,448
TOTAL LIABILITIES	105,903	174,448
NET ASSETS	2,544,661	2,782,250
EQUITY		
Issued capital	82,880,964	82,880,964
Reserves	2,678,721	2,981,757
Accumulated losses	(83,015,024)	(83,080,471)
TOTAL EQUITY	2,544,661	2,782,250

The accompanying notes form part of these interim financial statements



INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>For the half-year ended 31 December 2023</i>	Note	Ordinary Shares	Equity option reserve	Equity compensation reserve	Accumulated Losses	Total equity
		\$	\$	\$	\$	\$
Opening balance at 1 July 2023		82,880,964	450,216	2,531,541	(83,080,471)	2,782,250
Net (loss) for the period		-	-	-	(384,769)	(384,769)
Total comprehensive (loss) for the period		-	-	-	(384,769)	(384,769)
Transactions with owners recorded directly in equity						
Transfer-expiry of options			(450,216)	-	450,216	-
Vesting charge for equity-settled share-based payments		-	-	147,180	-	147,180
Total transaction with owners		-	(450,216)	147,180	450,216	147,180
Balance at 31 December 2023		82,880,964	-	2,678,721	(83,015,024)	2,544,661

<i>For the half-year ended 31 December 2022</i>	Note	Ordinary Shares	Equity option reserve	Equity compensation reserve	Accumulated Losses	Total equity
		\$	\$	\$	\$	\$
Opening balance at 1 July 2022		82,884,622	450,216	2,392,645	(81,161,585)	4,565,898
Net (loss) for the period		-	-	-	(1,550,475)	(1,550,475)
Total comprehensive (loss) for the period		-	-	-	(1,550,475)	(1,550,475)
Transactions with owners recorded directly in equity						
Issue of ordinary shares		-	-	-	-	-
Capital raising costs		(3,658)	-	-	-	(3,658)
Vesting charge for equity-settled share-based payments		-	-	120,007	-	120,007
Total transaction with owners		(3,658)	-	120,007	-	116,349
Balance at 31 December 2022		82,880,964	450,216	2,512,652	(82,712,060)	3,131,772

The accompanying notes form part of these interim financial statements



INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from government research and development tax incentive	-	6,011,091
Cash receipts from leased property	-	225,525
Cash paid to suppliers and employees	(394,389)	(7,578,419)
Net cash used in operating activities	(394,389)	(1,341,803)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	19,952	16,277
Cash receipts from GST on sale of assets	98,000	-
Net cash from investing activities	117,952	16,277
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid to raise capital	-	(3,658)
Net cash used in financing activities	-	(3,658)
Net decrease in cash and cash equivalents	(276,437)	(1,329,184)
Effect on movements in exchange rates on foreign currency denominated cash at bank	-	(828)
Cash and cash equivalents at 1 July	2,189,388	3,957,263
Cash and cash equivalents at 31 December	1,912,951	2,627,251

The accompanying notes form part of these interim financial statements



NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Hexima Limited (the “Company”) is a company domiciled in Australia. The address of the Company’s registered office is Corporate One, 84 Hotham Street, Preston, Victoria 3072.

The interim consolidated financial report as at and for the half-year ended 31 December 2023 is for the Company and its subsidiaries (together referred to as the Group).

The consolidated annual financial report of the Group as at and for the year ended 30 June 2023 is available upon request from the Company’s registered office at Corporate One, 84 Hotham Street, Preston, Victoria 3072 or at www.hexima.com.au.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

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

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

(b) New or amended Accounting Standards and Interpretations adopted.

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 June 2023.

4. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty that applied to the financial report as at and for the year ended 30 June 2023 also applied to this period.



5. SEGMENT REPORTING

The Group operated in one sector in the period and therefore the Group's financial information is the same as the operating segment information. All operations were in Australia.

6. SUBSEQUENT EVENTS

There have been no events subsequent to balance sheet date which would have a material effect on the Group's financial statements as at 31 December 2023.

7. CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2023. (30 June 2023: Nil)

8. CAPITAL AND RESERVES

Equity Option Reserve

The equity option reserve comprises the accumulated amount of share options issued to other parties not under compensation schemes.

	Number of options		Amount	
	As at 31 Dec 2023	As at 30 Jun 2023	As at 31 Dec 2023 \$	As at 30 Jun 2023 \$
On issue at period beginning	3,000,000	3,000,000	450,216	450,216
Expired during the period	(3,000,000)	-	(450,216)	-
On issue at period end	-	3,000,000	-	450,216



8. CAPITAL AND RESERVES (continued)

Equity compensation reserve

The equity compensation reserve represents the accumulated amount of share options vested and to be vested to key management personnel and other personnel under compensation schemes.

	Number of options		Amount	
	As at 31 Dec 2023	As at 30 Jun 2023	As at 31 Dec 2023 \$	As at 30 Jun 2023 \$
Options on issue at beginning of period	5,054,000	12,439,500	2,531,541	2,392,645
Issued as compensation	3,350,000	-	147,180	120,007
Lapsed options	-	(7,385,500)	-	-
On issue at end of period	8,404,000	5,054,000	2,678,721	2,512,652
Total Equity Reserves at period end	8,404,000	8,054,000	2,678,721	2,962,868

Option movements during the period

3,000,000 options issued to other parties expired on 15 December 2023.

3,350,000 options were issued to Geoffrey Kempler on 5 September 2023

No options were exercised during the period.

The Company does not have authorised capital or par value in respect of its issued shares.

Share options on issue

Expiry Date	Exercise Price	Number of Share Options
01 January 2024	\$1.00	250,000
15 November 2024	\$1.00	32,500
28 January 2025	\$1.00	250,000
4 September 2028	\$0.03	3,350,000
14 October 2030	\$0.20	2,900,000
27 July 2031	\$0.205	1,085,000
1 September 2031	\$0.27	536,500
		8,404,000



9. SHARE BASED PAYMENTS

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black Scholes Model. This model is generally used to calculate a theoretical price of an option on a stock that does not pay dividends using the five key variables of an option's price being the current spot price, future exercise price, volatility, time to expiration, and the risk-free interest rate.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans issued to key management personnel in the half-year ended 31 December 2023 were:

Number of options	Spot price	Exercise price	Volatility	Time to expiration	Risk free rate
3,350,000	0.02	0.03	134%	5 years	4.21%

The options issued have a fair value of 1.97 cents per share and were fully vested on issue.

10. EARNINGS PER SHARE

The Group's basic and diluted EPS are shown below:

	31 Dec 2023	31 Dec 2022
Net loss	(\$384,769)	(\$1,550,475)
Weighted average number of ordinary shares	167,039,629	167,039,629
Basic EPS (cents per share)	(0.23)	(0.93)
Diluted EPS (cents per share)	(0.23)	(0.93)

Diluted earnings per share is the same as Basic earnings per share as potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.



DIRECTORS' DECLARATION

- 1) In the opinion of the Directors of Hexima Limited ("the Company"):
 - a) the interim consolidated financial statements and notes, set out on pages 7 to 14, are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; 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.

Dated at Melbourne 28 February 2024.

Signed in accordance with a resolution of the Directors:

Geoffrey Kempler
Chairman and Managing Director

Phillip Hains
Non-Executive Director

Independent auditor's review report to the members of Hexima Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Hexima Limited (the Company), and its controlled entities (together, the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

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

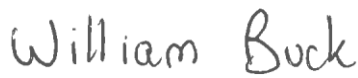
Responsibilities of the directors for the half-year financial report

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

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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


William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director
Melbourne, 28 February 2024