

Argent BioPharma Ltd.

(Argent BioPharma or the Company)

Appendix 4E – Preliminary Report

Argent BioPharma Limited is pleased to provide its Preliminary Final Report (Appendix 4E) for the year ended 30 June 2024 in accordance with LR4.3A.

-Ends-

Authorised for release by the board of directors, for further information please contact:

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About Argent BioPharma

Argent BioPharma Limited (the **Company**) (LSE: RGT; OTCQB: RGTLF) an innovative multidisciplinary drug development Company within the biopharmaceutical sector. The Company focuses on multidisciplinary methods with Nanotechnology, developing multi-target therapies for comprehensive disease management, especially concerning the Central nervous system (“CNS”) and Immunology treatments.

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ARGENT BIOPHARMA LTD

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**Appendix 4E and Unaudited
Preliminary Financial Report**

30 June 2024

Argent BioPharma Ltd provides the following information under Listing Rule 4.3A:

Details of reporting period and the previous corresponding period
REPORTING PERIOD
Financial Year ended 30 June 2024
PREVIOUS REPORTING PERIOD
Financial Year ended 30 June 2023
Results for announcement to the market

	30 June 2024 \$	Change %	30 June 2023 \$
Revenue	891,083	(74%)	3,387,567
Net (Loss) from ordinary activities	(17,548,433)	(17%)	(21,133,535)

	2024 Cents	2023 Cents
Earnings / (loss) per share	(47.36)	(0.71)
Net tangible assets per ordinary share*	(0.13)	(0.24)

* The calculation on net tangible assets per ordinary share includes right-of-use assets and lease liabilities.

Dividends and distributions

The Board has not declared dividends or made dividend payments during the current financial period. The Company does not have any dividend or distribution reinvestment plans in operation.

Commentary on results

The previous financial year marked a period of transformational change in the corporate structure of Argent BioPharma. Despite a revenue decrease of A\$2.5 million, the company significantly improved its net losses, reducing them by A\$3.59 million compared to 2023. These strategic changes have better positioned the company to pursue its core goal of developing innovative, multidisciplinary drugs to address unmet medical needs

Review of Operations
Positive Pre-clinical Trial Results for CimetrA®

On August 14, 2023, Argent BioPharma announced positive results from the pre-clinical Chronic Toxicology Evaluation of CimetrA®, following a 14-day oral dosing study.

The study was conducted on 32 domestic swine, which were divided into three dosage groups of CimetrA® and a placebo group, receiving treatments over a 14-day period. During the study, clinical parameters were monitored, and blood (including hematology, coagulation, and chemistry) and urine samples were collected for analysis. These samples were then subjected to histopathological evaluation.

The results demonstrated that CimetrA® is safe based on a comprehensive chronic safety and toxicology analysis in large animals. The histopathological examination of all tissues from all animals showed no abnormalities or adverse effects. It was concluded that the administered doses did not cause any toxicological changes. Additionally, there were no reported changes in blood and urine samples.

The study, conducted under animal ethics committee approval at the GLP-certified Lab Science in Action in Ness Ziona, Israel, represents a significant step forward in preparing the Investigational New Drug (IND) submission to the U.S. Food and Drug Administration (FDA).

Research and development / clinical trials

In addition to progress across our core programs in CNS and autoimmune diseases, Argent BioPharma has announced a strategic collaboration with SINTEF, one of Europe's largest independent research organizations. This partnership aims to address the critical and unmet clinical challenge of chronic wound management through innovative nano-formulations.

We believe that this collaboration with SINTEF will lead to significant advancements in the treatment of chronic wounds, ultimately improving the quality of life for patients dealing with this challenging condition. The Company is excited to keep shareholders informed as the project progresses.

Corporate and Commercial News

Following approval from shareholders at a general meeting held on 18 March 2024, the Company officially changed its name to Argent BioPharma Ltd on 3 April 2024 (effective date of change on the LSE was 10 April 2024). Additionally, the Company's ASX and LSE TIDM migrated to RGT. The Company also completed a corporate restructuring, involving a 1,000:1 capital consolidation.

During the period, the Company executed a Deed of Variation with Mercer Street Global Opportunity Fund, LLC (Mercer) in respect of the convertible securities agreement entered into between the Company and Mercer in 2020. This included the refinancing of 500,000 convertible notes from the 2020 convertible note facility, which totalled \$2,100,000. A commercial agreement was reached by which the minimum conversion price of the Notes was reduced from not less than \$10.00 to not less than \$0.35.

The Company still intends to reach additional agreements with Mercer to amend the terms of the remaining 2020 convertible note facility and the 2022 convertible note facility.

During the period, Argent BioPharma's ordinary shares were approved to trade on the OTCQB Venture Market (OTCQB) in the United States, commencing trading at market open on 2 May 2024, now trading under the ticker RTGLF. The OTCQB is a leading market for U.S. and international companies in the entrepreneurial and development stage. As a verified market with efficient access to U.S. investors, OTCQB helps companies build shareholder value with a goal of enhancing liquidity and achieving a fair valuation.

Appointment to the advisory board

Dr Shlomo Sadoun joined Argent BioPharma's advisory board in April 2024. Dr Sadoun has over 18 years of experience in the pharmaceutical sector. Dr. Sadoun co-founded and leads SK-Pharma Group, a global pharmaceutical company operating in 18 countries which specialises in producing and marketing generic, specialty pharma, hybrid generics, and biosimilar pharmaceutical products. Additionally, Dr Sadoun serves as the CEO of Arphio, an orphan drug company utilising proprietary technology to promote, market, and sell orphan drugs worldwide.

Funding and Cash Flow Reporting

During the period, the Company conditionally raised US\$8.4 million via two placements, through the subscription of 32,480,000 new ordinary shares at significant premiums relative to the share price at the time. The Company also agreed to issue one free attaching option for every two shares subscribed for under the Placement.

Personnel changes

During the period, the Company appointed Igor Bluvstein as the Company's Chief Financial Officer on 7 May 2024. Mr Bluvstein has over sixteen years of experience working in financial leadership positions in the digital health, e-commerce, biotechnology, petrochemical, and medical cannabis industries.

On 1 December 2023, Dr Stephen Parker and Dr Ross Walker resigned as Directors of the Company. Mr Daniel Robinson, with over 20 years' experience in a broad range of corporate roles across stockbroking, corporate advisory, investor relations and governance, was appointed as a Non-Executive Director in their place.

Subsequent Events

Subsequent to the period, the Company advised shareholders that the Australian Securities Exchange (ASX) had provided its formal approval for the Company to delist from the official list of the ASX. A lack of liquidity, difficulties fundraising and listing costs all contributed to the decision; the Company also believes it is better suited to an LSE listing. The Company will provide updates to shareholders on the delisting in due course .

Details of subsidiaries over which control has been gained or lost

Not applicable.

Details of associates and joint venture entities

Not applicable.

Audit Status

The consolidated financial statements are in the process of being audited. It is anticipated that the independent audit report will include an emphasis of matter on going concern due to the Company not being self-funding at present.

Financial Report

The following financial report included in this Appendix 4E does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating, financing and investing activities of the consolidated entity as the full financial report. The financial report should be read in conjunction with any public announcements made by Argent BioPharma Limited in accordance with the continuous disclosure obligations of the ASX Listing Rules. The accounting policies applied are the same as those noted in the most recent interim financial report and previous annual report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

		30-Jun-24	30-Jun-23
		\$	\$
Continuing operations	Note		
Revenue from contracts with customers	1	891,083	3,387,567
Cost of sales	2a	(687,386)	(1,937,377)
Gross profit		203,697	1,450,191
Other operating income		727,963	555,544
Administrative expenses	2b	(15,556,230)	(13,343,392)
Research and Development expenses		(2,321,367)	(2,990,226)
Other operating expenses	2c	(1,095,767)	(879,214)
Fair value movement on financial instruments		-	(131,409)
Reversal of (Impairment expense)	2e	1,341,465	(4,532,940)
Operating loss		(16,700,240)	(19,871,447)
Finance costs	2f	(482,474)	(262,257)
Finance income		1,929	240
Other expenses	2d	(423,964)	(1,216,651)
Other income		56,316	218,599
Loss before income tax from continuing operations		(17,548,433)	(21,131,517)
Income tax benefit / (expense)		-	(2,018)
Loss for the year from continuing operations		(17,548,433)	(21,133,535)
Loss for the year		(17,548,433)	(21,133,535)
Attributable to:			
Members of the parent entity		(17,530,600)	(20,823,583)
Non-controlling interest		(17,833)	(309,951)
		(17,548,433)	(21,133,535)
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on the translation of foreign operations		(431,253)	1,264,822
Other comprehensive income (net of tax) for the year		(431,253)	1,264,822
Total comprehensive loss for the year		(17,979,686)	(19,868,713)
Total comprehensive loss attributable to:			
Members of the parent entity		(17,935,374)	(19,897,587)
Non-controlling interest		(44,312)	28,874
		(17,979,686)	(19,868,713)
Earnings per share			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent	10	(47.36)	(0.71)
Earnings per share for continuing operations			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent	10	(47.36)	(0.71)

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	30-Jun-24 \$	30-Jun-23 \$
CURRENT ASSETS			
Cash and cash equivalents		702,870	239,821
Inventory	3	875,120	1,362,502
Trade and other receivables	4	476,530	531,314
Prepayments		685,713	396,926
Total Current Assets		2,740,233	2,530,563
NON-CURRENT ASSETS			
Plant and equipment	5	5,661,603	6,864,412
Investment in entities accounted for using equity method		1,326,871	-
Right-of-use assets		1,058,673	588,677
Total Non-Current Assets		8,047,147	7,453,089
TOTAL ASSETS		10,787,380	9,983,652
CURRENT LIABILITIES			
Trade and other payables	7b	2,719,163	3,303,826
Deferred revenue	7a	553,606	658,133
Financial liabilities at fair value through profit or loss	6	8,679,515	9,179,515
Lease liabilities - current		223,813	190,570
Total Current Liabilities		12,176,097	13,332,044
NON-CURRENT LIABILITIES			
Provisions		16,752	21,009
Deferred income	7a	3,598,439	4,277,865
Lease liabilities - non-current		820,911	384,569
Total Non-Current Liabilities		4,436,102	4,683,443
TOTAL LIABILITIES		16,612,200	18,015,487
NET ASSETS		(5,824,820)	(8,031,835)
EQUITY			
Contributed equity	8	123,288,573	103,690,800
Share based payment reserve		1,298,937	8,142,037
Foreign currency translation reserve		(71,535)	315,406
Consolidation reserve		-	(382,404)
Accumulated losses		(129,668,423)	(119,168,919)
Equity attributable to equity holders of the parent		(5,152,448)	(7,403,080)
Non-controlling interest		(672,372)	(628,755)
TOTAL EQUITY		(5,824,820)	(8,031,835)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Consolidation Reserve	Retained Earnings	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	97,251,478	7,924,264	(610,591)	(382,404)	(98,345,335)	(657,629)	5,179,783
Other comprehensive income			925,997	-	-	338,825	1,264,822
Loss after income tax expense			-	-	(20,823,584)	(309,951)	(21,133,535)
Total comprehensive loss for the year			925,997	-	(20,823,584)	28,874	(19,868,713)
Shares issued during the year (net of costs)	2,768,965	-	-	-	-	-	2,768,965
Acquisition of ZAM Ltd	1,231,245	-	-	-	-	-	1,231,245
Share based payments	1,113,612	225,773	-	-	-	-	1,339,385
Equity issued to extinguish financial liabilities	1,317,500	-	-	-	-	-	1,317,500
Exercise of performance rights	8,000	(8,000)	-	-	-	-	-
Balance at 30 June 2023	103,690,800	8,142,037	315,406	(382,404)	(119,168,919)	(628,755)	(8,031,835)
Balance at 1 July 2023	103,690,800	8,142,037	315,406	(382,404)	(119,168,919)	(628,755)	(8,031,835)
Other comprehensive income			(386,941)	-	-	(44,312)	(431,253)
Loss after income tax expense			-	-	(17,530,600)	(17,833)	(17,548,433)
Total comprehensive loss for the year			(386,941)	-	(17,530,600)	(62,145)	(17,979,686)
Shares issued during the year (net of costs)	19,097,773	-	-	-	-	-	19,097,733
Share based payments	-	187,996	-	-	-	-	187,996
Historic share based payment	-	(7,031,096)	-	-	7,031,096	-	1,336,500
Conversion of convertible notes	500,000	-	-	-	-	-	500,000
Derecognition of Panax Pharma s.r.o.	-	-	-	382,404	-	18,528	400,392
Balance at 30 June 2024	123,288,573	1,298,937	(71,535)	-	(129,668,423)	(672,372)	(5,824,820)

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	30-Jun-24	30-Jun-23
<i>Note</i>	\$	\$
<i>Cash flows from operating activities</i>		
Receipts from customers	1,398,193	3,959,182
Payments to suppliers and employees	(13,121,316)	(13,794,361)
Payments for research activities	(2,541,431)	(2,262,030)
Research and development rebate	-	371,215
Government grant	6,000	(2,018)
Interest received	-	240
Interest paid	(3,057)	(257,403)
Net cash used in operating activities	(14,261,611)	(11,985,174)
<i>Cash flows from investing activities</i>		
Government grant received relating to plant and equipment	-	796,066
Purchase of plant and equipment / assets under construction	(140,123)	(189,871)
Net cash used in investing activities	(140,123)	606,195
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	15,700,892	3,086,803
Proceeds from borrowings	-	6,948,106
Payment of lease liabilities	(238,679)	(200,955)
Partial repayment of loan by third party	-	216,338
Transaction costs on issue of shares	(596,772)	(317,838)
Net cash provided by financing activities	14,865,441	9,732,454
Net increase / (decrease) in cash and cash equivalents held	463,707	(1,655,989)
Cash and cash equivalents at beginning of year	239,821	1,886,347
Foreign exchange movement in cash	(658)	(9,463)
Cash and cash equivalents at end of year	702,870	239,821

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

Notes to the Condensed Consolidated Financial Statements

For the year ended 30 June 2024

1. REVENUE FROM CONTRACTS WITH CUSTOMERS

	30-Jun-24	30-Jun-23
	\$	\$
Sales revenue		
Pharma sales	804,832	2,506,782
Consulting services	-	6,967
Non-pharma sales	86,251	873,818
	891,083	3,387,567

2. COST OF SALES AND EXPENSES

	30-Jun-24	30-Jun-23
	\$	\$
a) Cost of sales		
Cost of goods sold - Pharma	631,336	1,862,942
Cost of goods sold – Non Pharma	56,050	68,139
Cost of sales - Consulting	-	6,296
	687,386	1,937,377
b) Administrative expenses		
Corporate costs	463,278	339,514
Professional and consultancy fees	3,177,544	1,218,177
Board fees	521,278	918,469
Staff costs	3,434,781	4,353,879
Employee Shares and Share based payment expense	3,643,996	2,656,885
IR/PR Expenses	2,145,956	968,226
Advertising and Marketing	269,262	862,713
Depreciation	1,076,489	751,938
Other administration expense	823,646	1,273,592
	15,556,230	13,343,392
c) Other operating expenses		
Inventory write-off	507,847	99,365
Laboratory operating expenses	568,573	779,849
Receivables write-off	19,347	-
	1,095,767	879,214
d) Other Expenses		
Unrealised foreign exchange	(44,621)	16,253
Realised foreign exchange	(787,605)	1,200,398
Loss on Disposal Panax	1,256,190	-
	423,964	1,216,651
e) Reversal of (Impairment expense)		
Impairment of goodwill	-	3,145,724
Reversal of (Impairment of Equity investment)	(1,341,465)	1,231,245
Impairment of financial assets	-	155,971
	(1,341,465)	4,532,940
f) Finance cost		
Finance costs	482,474	262,257

3. INVENTORY

	30-Jun-24	30-Jun-23
	\$	\$
Finished goods – at lower of cost or net realisable value	81,725	523,405
Raw materials – at cost	793,395	839,097
	875,120	1,362,502

4. TRADE AND OTHER RECEIVABLES

	30-Jun-24	30-Jun-23
	\$	\$
Current		
Trade receivables	140,344	208,742
Other receivables	266,488	249,259
GST/VAT receivable	69,698	73,313
	476,530	531,314

5. PLANT AND EQUIPMENT

	30-Jun-24	30-Jun-23
	\$	\$
Plant and equipment		
- at cost	9,786,051	10,043,479
- accumulated depreciation	(4,124,449)	(3,179,067)
Total property, plant and equipment	5,661,603	6,864,412

6. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30-Jun-24	30-Jun-23
	\$	\$
Financial liabilities at fair value through profit or loss		
<i>Convertible notes</i>		
Opening balance – at 1 July	9,179,515	2,100,000
Issue of convertible notes	-	6,948,106
Converted to ordinary shares	(500,000)	-
Loss on remeasurement of financial liability	-	131,409
Closing balance – fair value at 30 June	8,679,515	9,179,515

7. PAYABLES AND DEFERRED REVENUE/INCOME

a) Deferred Revenue/Income	30-Jun-24	30-Jun-23
Current	\$	\$
Deferred revenue	553,606	658,133
Closing balance	553,606	658,133

Non-Current	30-Jun-24	30-Jun-23
	\$	\$
Deferred income - Malta grant	3,598,439	4,277,865
Closing balance	3,598,439	4,277,865

b) Trade and other payables	30-Jun-24	30-Jun-23
	\$	\$
Trade payables	956,802	2,185,662
Accruals	346,753	535,546
Other payables	1,415,608	582,618
Closing balance	2,719,163	3,303,826

8. CONTRIBUTED EQUITY

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

	30-Jun-24 NUMBER	30-Jun-23 NUMBER	30-Jun-24 \$	30-Jun-23 \$
Ordinary shares on issue, fully paid	45,280,202	3,450,692,750	123,288,573	103,690,800
Unissued shares	-	-	-	-
	45,280,202	3,450,692,750	123,288,573	103,690,800

9. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of the basic and diluted earnings per share as follows:

	30-Jun-24	30-Jun-23
Earnings per share		
Basic loss per share (cents)	(47.36)	(0.71)
Diluted loss per share (cents)	(47.36)	(0.71)

Earnings per share from continuing operations		
Basic loss per share (cents)	(47.36)	(0.71)
Diluted loss per share (cents)	(47.36)	(0.71)
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share		
	\$	\$
From continuing operations	(17,530,600)	(20,823,584)
From discontinued operations	-	-
	(17,530,600)	(20,823,584)
	Number	Number
Weighted average number of ordinary shares and potential ordinary shares		
Weighted average number of ordinary shares used in calculating basic and diluted EPS	37,012,466	2,947,177,984

10. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end, the Company had the following events for disclosure:

- The Company advised shareholders that the Australian Securities Exchange (**ASX**) had provided its formal approval for the Company to delist from the official list of the ASX. A lack of liquidity, difficulties fundraising and listing costs all contributed to the decision and conjunctionally, the Company believes it is better suited to an LSE listing. The Company will provide updates to shareholders as the delisting date eventuates.
- Argent BioPharma announced a strategic collaboration with SINTEF, one of Europe's largest independent research organisations, to address the critical and unmet clinical challenge of chronic wound management, through nano-formulations as part of the Company's ongoing expansion into new therapeutic areas.
- Argent BioPharma raised US\$2,500,000 through the issue of 3,125,000 fully paid ordinary shares at US\$0.80 (~A\$1.20) per share (Placement Shares). The placement participants will also be issued one (1) free attaching warrant for every two (2) Placement Shares subscribed for which is exercisable at US\$1.20 (~A\$1.80) each.