

GPN Vaccines Ltd

ABN : 89 621 789 008

Financial Statements

For the Year Ended 30 June 2024

GPN Vaccines Ltd

ABN : 89 621 789 008

Contents

For the Year Ended 30 June 2024

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GPN Vaccines Ltd

ABN : 89 621 789 008

Directors' Report For the Year Ended 30 June 2024

The directors present their report on GPN Vaccines Ltd for the financial year ended 30 June 2024.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Timothy Raymond Hirst	Chairman & CEO	Appointed: 19 September 2017
James Cleland Paton	Chief Scientific Officer	Appointed: 19 September 2017
Barry Joseph Palte	Non-Executive Director	Appointed: 19 September 2017
Ismail Kola	Non-Executive Director	Appointed: 22 May 2020
Manon Maria Mathilde Josephina Cox	Non-Executive Director	Appointed 1 April 2022

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of GPN Vaccines during the financial year involved research, development (R&D) and clinical evaluation of a serotype-independent *Streptococcus pneumoniae* vaccine (Gamma-PN™) for use in the prevention of pneumococcal disease. R&D was also initiated during the financial year on a pipeline of new vaccines for prevention of human and livestock diseases.

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ (4,927,817) (2023: \$ (2,838,965)).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Directors' Report For the Year Ended 30 June 2024

2. Operating results and review of operations for the year

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show the Company has focused on research and development of a serotype-independent pneumococcal vaccine (Gamma-PN™), involving a first-in-human clinical trial (GPNV-001) in 120 healthy adults at CMAX (Adelaide), one of Australia's leading Phase 1 clinical trial units. CMAX reached the milestone of 100% recruitment in August 2023 and all in-patient activities were completed by November 2023. The clinical trial was a Phase 1, randomised, placebo-controlled, double-blind, sequential ascending-dose study. The study met its primary safety objective, demonstrating a safety profile suitable for further development. There were no serious adverse events following administration of Gamma-PN™ and systemic tolerability was considered excellent. Injection site reactions were largely confined to mild to moderate erythema and swelling, typically of short (1-2 day) duration, with the frequency and extent being dose-related. Local and systemic tolerability after the second injection of Gamma-PN™ was similar to that after the first. An immunological assessment of serum IgG responses to vaccination with Gamma-PN™ was performed using an ELISA developed and performed by a GLP-accredited third-party laboratory. This demonstrated that Gamma-PN™ induced dose-dependent rises in serum IgG levels to Gamma-PN™ after both the first and second vaccine dose. Neutrophil activation in participants administered Gamma-PN™ was consistent with vaccine stimulation of innate immune responses.

Sera, whole blood and isolated PBMCs sampled from participants throughout the trial have been and continue to be extensively studied using a variety of assays. This has included an assessment of the induction of functional opsonophagocytic antibody (OPA) responses to different serotype strains of *Streptococcus pneumoniae*, with promising preliminary data being obtained. A GLP-accredited third-party laboratory has been contracted to assay participants' sera for OPA responses, that involves more than 12,000 tests being undertaken on vaccine and non-vaccine serotypes of *Streptococcus pneumoniae*. Optimisation of this assay and its qualification prior full testing of all clinical samples is taking more time than originally anticipated, with full OPA test results now anticipated in early 2025.

In July 2023 we obtained ethics approval to extend the first-in-human clinical trial GPNV-001 in a subset of trial participants. This extension trial (GPNV-002) resulted in participants returning to CMAX 6 months and 12 months after first being vaccinated with Gamma-PN™ allowing sampling of sera, whole blood and PBMCs to assess the durability of the immune response. In May 2024 the Brandon BioCatalyst's CUREator Program, an Australian Government-sponsored initiative, awarded a grant to GPN Vaccines of \$936,000 towards the costs of completing this extension trial.

We are immensely grateful to all participants who volunteered to be part of the GPNV-001 and GPNV-002 trials.

During the financial year we embarked on a pipeline development program of new vaccines using the same technological approach we used in the development of Gamma-PN™. This has included generation of an engineered gamma-irradiated non-typeable *Haemophilus influenzae* (NTHi) vaccine designed to be effective in preventing middle ear infections (otitis media) in children and chronic obstructive pulmonary disease (COPD) in adults. The experimental work on this vaccine is being undertaken by a University of Adelaide PhD student, Ms. Carla Gallasch, who has been awarded an Industry-University Scholarship, with GPN Vaccines as the sponsor. This scholarship is part of a new program of higher degree training established by the Australian Government; with GPN Vaccines proud to have been the very first company in Australia to have such a PhD student join the program. In June 2024, GPN Vaccines established a collaboration with BacVax Inc, a US-based vaccine development company working on vaccines for preventing NTHi as well as *Moraxella catarrhalis* infection, another bacterium responsible for otitis media. GPN Vaccines has secured the right to acquire BacVax during the next 12 months, if it proves to be in our interests to do so, thereby enabling us to spearhead development of a multivalent vaccine for preventing the three major etiological agents of otitis media, namely *Streptococcus pneumoniae*, NTHi and *Moraxella catarrhalis*.

In addition, the company embarked on the development of an engineered gamma-irradiated *Streptococcus suis* vaccine to prevent meningitis in post-weaning pigs. This is an endemic worldwide disease, with no effective vaccine available against the diverse serotypes of *S. suis*.

The Company also continued to strengthen its IP position during the financial period, with the Company's core "Streptococcal Vaccine" patent family now granted in the US, Australia, Brazil, China, EU (including the UK, Spain, Switzerland and Unitary EU jurisdictions), Japan, Malaysia, Singapore and South Africa, and pending in Canada,

Directors' Report

For the Year Ended 30 June 2024

2. Operating results and review of operations for the year

Review of operations

Indonesia, India and South Korea. Continuation patents based on the Company's core patent and covering composition of matter claims on the composition and formulation of Gamma-PN™ have been granted in the US and Japan. Two additional complete US applications and one in Japan have been filed and a new PCT patent application was filed on 22 May 2024 covering features of the Gamma-PN™ vaccine evaluated in the Phase 1 trial. The Company considers its patent estate to be a key asset and central to its ambition to strike future business deals.

In February 2024, the Company announced a Series B1 investment round, aiming to raise up to \$15.0M in support of transitioning from a Phase 1 to a Phase 2 clinical stage company, including commencing further trials, scaling up manufacture of Gamma-PN™, expanding development our vaccine pipeline and active pursuit of business development opportunities. The overwhelmingly positive response from existing shareholders and interest from new investors including Jay Kern of Kern Capital Inc, led to a decision to extend the Series B1 round to raise \$18.0M by issuing 240,000 shares at \$75.00 per share. The round closed in May 2024, fully subscribed, with \$18.0M raised. The Directors extend their appreciation and thanks to existing and new investors for their overwhelming support.

The new investment has permitted us to contract BioCina, the Company's CDMO, to optimize manufacture of our pneumococcal vaccine at the 500L scale and to establish qualified product release assays necessary for future cGMP manufacture of the vaccine for Phase 2 trials. We have also designed a further clinical trial to test the safety, tolerability and immunogenicity of Gamma-PN™ in healthy older adults aged 70 years and over. An ethics application has been submitted to Bellberry, and approval to conduct this study is expected by late August 2024. Adults 70 years and older are particularly susceptible to pneumococcal infection and so an understanding how this population responds to Gamma-PN™ will be important to understand.

During the financial year there were a several personnel changes and new recruits appointed. James Selkirk joined the company as Chief Financial Officer. Dr Erin Brazel, an employee of the University of Adelaide, consultant to GPN Vaccines, and who is actively involved in our pipeline vaccine development program, was appointed Director of Microbiology. The R&D team was further expanded by the appointment of Chole Gates as Research Scientist and Ricky Williams as Laboratory Manager. Jim Ackland retired from his role as Director, Quality & Regulatory, taking on the role of Senior Advisor on Quality & Regulatory. Leigh Willis was appointed as Interim Head of Quality, Lizzie Leininger as Head of Regulatory and Miriam Dodd was promoted to the position of Quality Assurance Associate. We also welcomed to GPN Vaccines' Scientific & Advisory Board, Professor Peter Richmond, Head of the Vaccine Trials Group at the Kid's Telethon Institute, Perth and Professor Allan Saul, Honorary Senior Principal Research Fellow at the Burnet Institute, Melbourne and previously Director of the GSK Vaccines Institute for Global Health in Siena, Italy.

During the year the Company increased its engagement with the wider scientific and business community with Company presentations at the World Vaccine Congress in Barcelona and the International Society of Vaccines in Lausanne in October 2023, the World Vaccine Congress in Washington DC in April 2024 and the International Drug Discovery Science & Technology (Europe 2024) meeting in Budapest in June 2024. Poster presentations were also shown at the International Symposium on Pneumonia and Pneumococcal Diseases in Cape Town in March 2024. GPN Vaccines also participated in the JP Morgan conference in San Francisco in January 2024, which provided business development and investor opportunities.

In August 2023, the Company received from the Australian Tax Office \$2,087,917, comprising its 2023 financial year R&D tax offset less FY23 Income tax. In September 2023, the Company met the milestone for the third tranche of the South Australian Government's Research, Commercialisation and Start-Up Fund (RCSF) grant and was paid \$310,000 and in May 2024 the Company met the grant's final milestone and was paid \$37,000. In February 2024 the Company received \$266,000, being the first tranche of the grant from the CUREator program. These grants, together with the R&D tax offset and new investor funds have given the Company a strong balance sheet as it seeks to progress its vaccine development programs.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Directors' Report

For the Year Ended 30 June 2024

3. Other items

Events after the reporting date

- On 1 July 2024, Professor James Paton retired as the Company's Chief Scientific Officer, remaining on the Board as a non-Executive Director and as Senior Scientific Advisor. Leigh Willis retired as Head of Quality.
- On 1 July 2024, additional share options were granted to directors, officers, employees and consultants and/or their related parties under the Company's Employee Share Options Plan. The number of options granted on 1 July 2024 was 45,864 with an exercise price of \$75.00 per option.
- On 21 August 2024 ethics approval was granted to undertake an older adult study of Gamma-PN in adults aged 70 years and over.
- On 4 September 2024 the Company received from the Australian Tax Office \$3,116,149, comprising its 2024 financial year R&D tax offset less FY24 Income tax liability.
- On 5 September 2024, the first participant was dosed in a Phase 1 clinical trial of Gamma-PN vaccine in adults aged 70 and over.
- Since the start of the new financial year the Company has continued strengthening its team, appointing Ms. Antiksha Joshi as Director of Quality, Dr Nerissa Lakhan as Clinical Project Manager and Dr Brooke Dilmetz as Research Scientist.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

The operations of the Company in subsequent financial years will continue to focus on research, development, clinical evaluation and commercialisation of Gamma-PN™, the Company's serotype-independent pneumococcal vaccine as well as conducting pre-clinical testing of a pipeline of new vaccine opportunities

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

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Directors' Report For the Year Ended 30 June 2024

Information on directors

Timothy Raymond Hirst

Qualifications

Experience and expertise

Other current directorships

Special Responsibilities

James Cleland Paton

Qualifications

Experience and expertise

Other current directorships

Special Responsibilities

Chairman and Chief Executive Officer

Bachelor of Science (Honours), Doctor of Philosophy in Biochemistry
Tim has broad expertise in life sciences, executive management and venture capital investment. He was previously CEO of ANU Connect Ventures, Deputy Vice Chancellor for Research & Innovation at The University of Sydney and Professor and Head of Microbiology at the University of Bristol, UK. For the past 25 years he has spearheaded commercialisation and investment in innovative technology companies in Australia, UK and USA. Tim holds several adjunct Professorships, including an Adjunct Professorship at the University of Adelaide.

Gamma Vaccines Pty Ltd, Brain Changer Pty Ltd, Flex G Pty Ltd, Dentroid Technologies Pty Ltd, PPB Technology Pty Ltd, Milton Park Capital Pty Ltd, Milton Part Equities Pty Ltd and Trustee Director of Griffin Accelerator Holdings Pty Ltd, Hirst Shabian & Hirst Advisory Services Pty Ltd and Halcyon & Hirst Pty Ltd.

Chairman of the Board of Directors, Member of the Audit & Risk Committee, Ex Officio Member of the Nominations & Remuneration Committee.

Executive Director and Chief Scientific Officer

Bachelor of Science (Honours), Doctor of Philosophy in Biochemistry, Fellow of the Australian Academy of Science, Fellow of the American Academy of Microbiologists.

James is Professor of Microbiology and the Director of the Research Centre for Infectious Diseases at the University of Adelaide and is Australia's preeminent authority on the pathogenesis of *S.pneumoniae*. He was the Chief Investigator on both an ARC Linkage grant that led to the development of the Gamma-PN vaccine and an NHMRC Development Grant that supported its current preclinical development. James was also named South Australian Scientist of the Year in 2017 in recognition of his research on pneumococcal disease and pathogenesis.

Lancet Consulting Pty Ltd.

None

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Directors' Report

For the Year Ended 30 June 2024

Information on directors

Barry Joseph Palte

Qualifications

Experience and expertise

Other current directorships

Special Responsibilities

Non-Executive Director

Bachelor of Business Science (Honours), Fellow of the Institute and Faculty of Actuaries (UK)

Barry is Chairman of EQ Capital Partners, headquartered in Sydney. His investment focus is on deep science technology in areas including health/wellness, food and agriculture, the circular economy and AI. He has been a global judge in the Extreme Tech Challenge and the UN World Food Forum's Innovation Awards. He was previously Global Chairman of the International Association of Investment Bankers and was Head of Mergers, Acquisitions and Strategic Development for the funds management business of Australia's largest Bank, Commonwealth Bank of Australia. He is Chairman of Foxgove Capital's Investment Committee.

EQ Capital Partners Pty Ltd, EQ Capital Pty Ltd, New Wave Biotech Pty Ltd and Impact Rooms Ltd.

Chair of the Audit & Risk Committee and Member of the Nominations & Remuneration Committee.

Ismail Kola

Qualifications

Experience and expertise

Other current directorships

Special Responsibilities

Non-Executive Director

Bachelor of Pharmacy (Honours), Bachelor of Science (Honours), Doctor of Philosophy in Medicine (PhD/Med).

Ismail is a Senior Partner at Forepont Capital, a New York based venture capital firm investing in pharmaceutical and biotechnology companies. He has previously held senior executive positions at UCB, Merck, Schering Plough and Pharmacia Corporation, and until recently was Chief Scientific Officer, President of New Medicines and Executive Committee Member at UCB Pharmaceuticals. Ismail also holds several adjunct and visiting Professorships, including a Foreign Adjunct Professorship at the Karolinska Institute, Stockholm Sweden, Adjunct Professor of Medicine at Washington University in St Louis, a Visiting Professorship of Medicine at the Nuffield School of Medicine, Oxford University, Fellow at Pembroke College, Cambridge University.

BeCare Link, Invicta Medical, Hemanext, Exeliom Biosciences, and Forepont Capital

Chair of the Nominations & Remuneration Committee.

Directors' Report
For the Year Ended 30 June 2024

Information on directors

Manon Maria Mathilde Josephina Cox

Qualifications

Experience and expertise

Other current directorships

Special Responsibilities

Non-Executive Director

Doctorandus Degree in Biology; MBA in Finance; PhD in Virology, Doctor of Humane Letters (Hon).

Manon is CEO and co founder of NextWaveBio, a biopharmaceutical company providing consulting and investment in vaccine development. She has over 30 years' experience in biotech research and product development and played a pivotal role in the development of two commercial products: Lipomax® and Flublok®. She led the team at Protein Sciences Corporation that resulted in the successful development of Flublok, the first and only FDA licensed recombinant influenza vaccine. She served as its President and CEO from 2010 until its acquisition by Sanofi in 2017. Manon is also a Fellow of the International Society of Vaccines.

Vaxxas Pty Ltd, the International Society for Vaccines (ISV) and the Netherland America Foundation.

Member of the Nominations and Remuneration Committee and the Audit & Risk Committee.

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Nominations & Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Timothy Raymond Hirst	7	7	2	2	2	2
James Cleland Paton	7	7	-	-	-	-
Barry Joseph Palte	7	7	2	2	2	2
Ismail Kola	7	7	-	-	2	2
Manon Maria Mathilde Josephina Cox	7	7	2	2	2	2

Indemnification and insurance of officers and auditors

During the financial year, Directors and Officers liability insurance premiums, Key Person insurance premiums and Public Liability insurance premiums have been paid by the Company. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company against a liability incurred as such as an auditor.

Proceedings on behalf of company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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Directors' Report
For the Year Ended 30 June 2024

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 9 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director:
Timothy Raymond Hirst



Director:
Barry Joseph Palte

Dated 26 September 2024

GPN Vaccines Ltd

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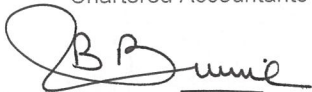
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of GPN Vaccines Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

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

Hardwickes

Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

26 September 2024

Canberra

GPN Vaccines Ltd 2024

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue - trading	4	4,679,980	3,418,409
Administrative & operating cost		(1,046,680)	(844,676)
Depreciation and amortisation expense		(44,641)	(40,452)
Consultancy expenses		(614,126)	(507,040)
Employee costs - salaried staff		(1,818,125)	(1,153,025)
Employee share based payments		(1,063,264)	(491,814)
Research and patent expenses		(5,007,846)	(3,140,708)
(Loss) before income tax		(4,914,702)	(2,759,306)
Income tax expense	6	(13,115)	(79,659)
(Loss) for the year		(4,927,817)	(2,838,965)
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		(4,927,817)	(2,838,965)

The accompanying notes form part of these financial statements.

GPN Vaccines Ltd 2024

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Statement of Financial Position As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	16,044,031	6,657,976
Trade and other receivables	7	3,280,419	2,338,295
Other financial assets	8	5,551,460	2,750,000
Other assets	11	1,162,699	243,223
TOTAL CURRENT ASSETS		<u>26,038,609</u>	<u>11,989,494</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	45,173	40,664
Intangible assets	10	426,682	358,775
TOTAL NON-CURRENT ASSETS		<u>471,855</u>	<u>399,439</u>
TOTAL ASSETS		<u>26,510,464</u>	<u>12,388,933</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	880,324	927,147
Employee benefits	13	73,285	71,599
TOTAL CURRENT LIABILITIES		<u>953,609</u>	<u>998,746</u>
TOTAL LIABILITIES		<u>953,609</u>	<u>998,746</u>
NET ASSETS		<u>25,556,855</u>	<u>11,390,187</u>
EQUITY			
Issued capital	14	35,731,231	17,700,010
Reserves		2,934,631	1,871,367
Retained earnings		(13,109,007)	(8,181,190)
TOTAL EQUITY		<u>25,556,855</u>	<u>11,390,187</u>

The accompanying notes form part of these financial statements.

GPN Vaccines Ltd 2024

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Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Ordinary Shares	Retained Earnings	Share option reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2023	17,700,010	(8,181,190)	1,871,367	11,390,187
(Loss) for the year	-	(4,927,817)	-	(4,927,817)
Share based payment transactions	-	-	1,063,264	1,063,264
Shares issued during the year	18,031,221	-	-	18,031,221
Balance at 30 June 2024	35,731,231	(13,109,007)	2,934,631	25,556,855

2023

	Ordinary Shares	Retained Earnings	Share option reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	8,499,790	(5,342,225)	1,379,554	4,537,119
(Loss) for the year	-	(2,838,965)	-	(2,838,965)
Share based payment transactions	-	-	491,813	491,813
Issue of shares	9,200,220	-	-	9,200,220
Balance at 30 June 2023	17,700,010	(8,181,190)	1,871,367	11,390,187

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from activity	1,157,126	1,001,403
Payments to suppliers and employees	(9,958,630)	(6,329,319)
Interest received	216,684	54,397
Receipt from grants	690,800	467,500
Net R&D Tax Offset incentive received	2,167,576	1,454,593
Net cash (used in) operating activities	21 (5,726,444)	(3,351,426)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	(92,440)	(94,370)
Purchase of plant and equipment	(24,822)	(6,615)
Investments in Term deposits	(2,801,460)	(2,241,670)
Net cash (used in) /provided by investing activities	(2,918,722)	(2,342,655)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	18,031,221	9,200,220
Net cash provided by financing activities	18,031,221	9,200,220
Net increase in cash and cash equivalents held	9,386,055	3,506,139
Cash and cash equivalents at beginning of year	6,657,976	3,151,837
Cash and cash equivalents at end of financial year	5 16,044,031	6,657,976

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

The financial report covers GPN Vaccines Ltd as an individual entity. GPN Vaccines Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of GPN Vaccines Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Material Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(b) Income Tax

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(d) Financial instruments

Financial assets

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income - Equity instruments

The Company has no investments in listed and unlisted entities.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The company does not hold any assets that fall into this category.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(d) Financial instruments

Financial assets

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(d) Financial instruments

Financial liabilities

The financial liabilities of the Company comprise trade payables.

(e) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) Intangibles

Patents

Patents are recognised at cost of acquisition. Patents have a useful life of 20 years and are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of patents, from the date that they are filed with the Patent Cooperation Treaty (PCT).

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(h) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current	30 June 2025	The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.	The amendment is not expected to have a material impact on the financial statements once adopted.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - share based payments

Equity-settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated using option valuation models – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed over the vesting period.

Some of the inputs used, such as the expected option life, are not market observable and are based on estimates derived from available data, such as employee exercise behaviour. The models utilised, such as the binomial option pricing model, are intended to value options traded in active markets. The share options issued by the Company, however, have a number of features that make them incomparable to such traded options. Using different input estimates or models could produce different option values, which would result in the recognition of a higher or lower expense.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

	2024	2023
	\$	\$
Revenue from contracts with customers		
- Grant income	628,000	425,000
	628,000	425,000
Revenue from other sources		
- R&D tax offset income	3,131,650	2,167,576
- Foreign exchange gain	693,130	421,750
- Interest received	227,200	128,702
- Other income	-	275,381
	4,051,980	2,993,409
Total Revenue and other income	4,679,980	3,418,409

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Notes to the Financial Statements For the Year Ended 30 June 2024

5 Cash and Cash Equivalents

	2024	2023
Note	\$	\$
Cash at bank and in hand	16,044,031	5,347,919
Short-term deposits	-	1,310,057
15	<u>16,044,031</u>	<u>6,657,976</u>

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2024	2023
	\$	\$
Current tax expense	13,115	79,659
	<u>13,115</u>	<u>79,659</u>

(b) Reconciliation of income tax to accounting profit:

	2024	2023
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023: 25%)	(2,011,937)	(1,231,721)
Add:		
Tax effect of:		
- non-deductible expenses	2,342,033	1,531,076
- Assessable income	133,465	1,484
	<u>463,561</u>	<u>300,839</u>
Less:		
Tax effect of:		
- Other non-assessable income	122,284	123,709
- Other deductible expenses	328,162	88,858
- Carry forward tax losses	-	8,613
Income tax expense	<u>13,115</u>	<u>79,659</u>

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Notes to the Financial Statements For the Year Ended 30 June 2024

7 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
GST receivable	148,769	159,830
Other receivables	-	10,889
R & D Tax offset receivable	3,131,650	2,167,576
Total current trade and other receivables	3,280,419	2,338,295

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Other Financial Assets

		2024	2023
	Note	\$	\$
CURRENT			
Term deposits ^a	15	5,551,460	2,750,000
Total		5,551,460	2,750,000

a. Term deposits with maturity between three months and one year.

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Notes to the Financial Statements For the Year Ended 30 June 2024

9 Plant and equipment

	2024	2023
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	105,897	82,256
Accumulated depreciation	<u>(60,724)</u>	<u>(41,592)</u>
Total plant and equipment	<u>45,173</u>	<u>40,664</u>
Total plant and equipment	<u>45,173</u>	<u>40,664</u>

Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Total
	\$	\$
Year ended 30 June 2024		
Balance at the beginning of year	40,664	40,664
Additions	24,822	24,822
Disposals	(242)	(242)
Depreciation expense	<u>(20,071)</u>	<u>(20,071)</u>
Balance at the end of the year	<u>45,173</u>	<u>45,173</u>

	Plant and Equipment	Total
	\$	\$
Year ended 30 June 2023		
Balance at the beginning of year	51,171	51,171
Additions	6,615	6,615
Depreciation expense	<u>(17,122)</u>	<u>(17,122)</u>
Balance at the end of the year	<u>40,664</u>	<u>40,664</u>

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Notes to the Financial Statements For the Year Ended 30 June 2024

10 Intangible Assets

	2024	2023
	\$	\$
Patents, trademarks and other rights	526,396	433,956
Accumulated amortisation	(99,714)	(75,181)
Total Intangibles	426,682	358,775

11 Other Assets

	2024	2023
	\$	\$
CURRENT		
Prepayments	1,071,941	162,981
Accrued income	90,758	80,242
	1,162,699	243,223

12 Trade and Other Payables

		2024	2023
	Note	\$	\$
CURRENT			
Trade payables	15	423,598	662,641
Provision for tax	6	13,115	79,659
Other payables		443,611	184,847
		880,324	927,147

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Employee Benefits

	2024	2023
	\$	\$
CURRENT		
Provision for annual leave	73,285	71,599
	73,285	71,599

14 Issued Capital

	2024	2023
	\$	\$
4,108,789 (2023: 3,856,289) Ordinary shares	35,731,231	17,700,010
Total	35,731,231	17,700,010

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

14 Issued Capital

(a) Ordinary shares

	2024	2023
	No.	No.
At the beginning of the reporting period	3,856,289	3,386,000
Shares issued during the year	252,500	470,289
At the end of the reporting period	4,108,789	3,856,289

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

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

(b) Warrants

	2024	2023
	No.	No.
At the beginning of the reporting period	-	80,000
Warrants exercised	-	(70,289)
Warrants lapsed	-	(9,711)
At the end of the reporting period	-	-

Warrants were granted to investors in Series A1 shares, with the right to subscribe for one (1) additional Ordinary share (at USD\$2.00) for every five (5) Series A1 shares that had been purchased, and with an exercise date at anytime up to June 15, 2023. 70,289 warrants were exercised and the remainder lapsed.

15 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables

Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Financial Risk Management

- Cash at bank
- Trade and other payables
- Lease liabilities

	Note	2024 \$	2023 \$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	5	16,044,031	6,657,976
Other financial asset	8	5,551,460	2,750,000
Total financial assets		21,595,491	9,407,976
Financial liabilities			
Financial liabilities at fair value			
Trade payables	12	423,598	662,641
Total financial liabilities		423,598	662,641

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of GPN Vaccines Ltd 's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and GPN Vaccines Ltd 's activities.

The day-to-day risk management is carried out by GPN Vaccines Ltd 's finance function under policies and objectives which have been approved by the Board of Directors. An Executive Director has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by ability to sell long-term financial assets.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Financial Risk Management

Liquidity risk

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

	Floating Interest Rate		Within 1 Year		Total	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable						
Cash and cash equivalents	16,044,031	6,657,976	5,551,460	2,750,000	21,595,491	9,407,976
Total anticipated inflows	16,044,031	6,657,976	5,551,460	2,750,000	21,595,491	9,407,976

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Total	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables (excluding estimated annual leave)	423,598	662,641	-	-	423,598	662,641
Total contractual outflows	423,598	662,641	-	-	423,598	662,641

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Notes to the Financial Statements
For the Year Ended 30 June 2024

15 Financial Risk Management

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which GPN Vaccines Ltd holds financial instruments which are other than the AUD functional currency of GPN Vaccines Ltd .

Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in USD.

Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

	USD	GBP
	\$	\$
2024		
Cash at Bank	4,277,328	2,151
Short-term exposure	4,277,328	2,151
2023		
Cash at Bank	3,196,335	6
Short-term exposure	3,196,335	6

(ii) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

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Notes to the Financial Statements For the Year Ended 30 June 2024

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of GPN Vaccines Ltd during the year are as follows:

	2024	2023
	\$	\$
Short-term employee benefits	437,986	428,613
	437,986	428,613

Shareholdings of Directors and their Related Parties

30 June 2024	Number of shares held at beginning of the year	Number of shares purchased during year	Number of vested share options held at end of year	Total number of shares held at the end of year
Directors				
James Cleland Paton	61,515	-	71,456	61,515
Manon Maria Mathilde Josephina Cox	5,000	259	16,875	5,259
Related parties				
Hirst Shabian & Hirst Advisory Services Pty Ltd	121,395	24	204,143	121,419
Halcyon & Hirst Pty Ltd	62,941	-	-	62,941
Jammie Steps Pty Ltd	7,593	395	85,555	7,988
Forepont Capital Partners Fund II	266,667	16,548	44,070	283,215
	525,111	17,226	422,099	542,337

30 June 2023	Number of shares held at beginning of the year	Number of shares purchased during year	Number of vested share options held at end of year	Total number of shares held at the end of year
Directors				
James Cleland Paton	61,515	-	66,912	61,515
Manon Maria Mathilde Josephina Cox	-	5,000	9,375	5,000
Related parties				
Hirst Shabian & Hirst Advisory Services Pty Ltd	120,467	928	189,825	121,395
Halcyon & Hirst Pty Ltd	62,522	419	-	62,941
Jammie Steps Pty Ltd	6,140	1,453	78,055	7,593
Forepont Capital Partners Fund II	200,000	66,667	32,699	266,667
	450,644	74,467	376,866	525,111

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Notes to the Financial Statements

For the Year Ended 30 June 2024

17 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor Hardwickes Chartered Accountants, for:		
- auditing or reviewing the financial statements	11,500	11,000
- other services	4,000	3,500
Total	15,500	14,500

18 Contingencies

Contingent Liabilities

GPN Vaccines Ltd has entered into a grant funding deed with the South Australian Government and at 30 June 2024 received 100% of a \$1.0M Research, Commercialisation and Start-up Fund grant.

The grant deed includes a condition that if GPN Vaccines is able to commercialise the grant funded research and development, then a royalty is potentially payable to the grantor.

Should GPN's Net Sales Revenue exceed \$250,000 in any Financial Year in the 10 years following the final grant award then 3% of GPN Vaccines Net Sales Revenues are payable annually to the grantor, until the grant is repaid.

Whilst the vaccine is currently in trials the product is not yet revenue generating the liability remains contingent.

19 Related Parties

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 16: Key management personnel. Key management personnel remuneration disclosed in Note 16 relates to Chief Executive Officer & Chief Scientific Officer.

(b) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Notes to the Financial Statements
For the Year Ended 30 June 2024

19 Related Parties

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

		2024	2023
		\$	\$
Related Party of KMP			
Hirst Shabian & Hirst Advisory Services Pty Ltd	Directors fees	65,000	47,500
Hirst Shabian & Hirst Advisory Services Pty Ltd	Share-based payments (Refer note 20)	258,894	99,959
Lancet Consulting Pty Ltd	Directors fees	35,000	72,773
Lancet Consulting Pty Ltd	Share-based payments (Refer note 20)	82,158	76,073
Related Parties of Other Employees			
Healthstars Pty Ltd	Consultancy and executive management including directors fee	70,000	60,000
Capricorn Consilium GmbH	Consultancy and executive management including directors fee	-	36,000
EQ Capital Partners Pty Ltd	Consultancy and executive management including directors fee	45,000	39,533
EQ Capital Partners Pty Ltd	Share-based payments (Refer note 20)	-	27,500
		<u>556,052</u>	<u>459,338</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2024

20 Share-based Payments

GPN Vaccines Ltd has an ownership-based compensation scheme for executives, senior employees and associates of the Company. In accordance with the provisions of the plans, as approved by the board, executives, senior employees and associates who satisfy the conditions outlined in their Share Option Agreement may be granted options to purchase parcels of ordinary shares.

The exercise price is outlined in each Share Option Agreement for each applicant.

Each share option converts into one ordinary share of GPN Vaccines Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from their vesting date to the date of their expiry.

Directors, including Executive Directors or their related parties may be granted options in lieu of fees under the Company's Executive Remuneration scheme presented to the Company's Annual General Meeting of shareholders held on 20 February 2019. On 1 July 2023, 41,791 Remuneration Options were granted in lieu of fees with an exercise price of \$22.50 per option, calculated using a Black and Scholes valuation on 30 June 2023 Remuneration options vest immediately and expire on the tenth anniversary of the date of grant, or if a trade sale is made of a substantial part of the assets, or the shareholders of GPN Vaccines dispose of their shares, the date that is 7 days prior to the completion of a trade sale or share sale.

Options granted under the Company's Employee Share Options Agreement vest over a period of 4 years, have an exercise price ranging from the prevailing share price to 25% above the prevailing share price at the time of grant and expire on the seventh anniversary of the date of grant or if a trade sale is made of a substantial part of the assets, or the shareholders of GPN Vaccines dispose of their shares, the date that is 7 days prior to the completion of a trade sale or share sale. Employee Share Options were granted on 1 July 2023 and 1 October 2023.

A further 649 options were granted on 1 June 2024 to a consultant who assisted with the Series B1 investment round, with an exercise price of \$75.00 that vested immediately and expire on the seventh anniversary of the date of grant, or if a trade sale is made of a substantial part of the assets, or the shareholders of GPN Vaccines dispose of their shares, the date that is 7 days prior to the completion of a trade sale or share sale..

For options granted during the year, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant Date	01-Jul-2023	01-Jul-2023	01-Oct-2023	01-Jun-2024
Share Price (\$)	22.50	22.50	22.50	75.00
Exercise Price (\$)	22.50	22.50	22.50	75.00
Volatility Rate	74%	74%	64%	63%
Options Life	7 years	10 years	7 years	7 years
Risk-free Interest Rate	3.94%	4.01%	4.16%	4.10%

The volatility rate was determined by reference to the mean share pricing volatility of seven comparable listed companies in Australia and one comparable vaccine company listed in the United States.

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Notes to the Financial Statements For the Year Ended 30 June 2024

20 Share-based Payments

Options vesting in the current financial year and prior financial years under the Company's Employee Share Options Plan & Executive Remuneration Scheme and their value based on Black & Scholes, are listed below:

	2024	2024	2023	2023
	No.	\$	No.	\$
KMP	275,599	1,089,993	256,737	748,940
Other Employees	176,769	865,818	167,586	549,147
Related Parties of KMP	146,500	589,503	103,254	304,590
Advisors	121,537	389,317	103,701	268,687
	720,405	2,934,631	631,278	1,871,364

The weighted average fair value of the options granted during the year was \$ 18.05 (2023: \$ 5.57). These values were calculated by using a Black-Scholes option pricing model

The share price at 30 June 2024 was \$ 75.00 (2023: \$22.50).

A summary of the Company options issued is as follows:

Grant Date	Expiry Date	Exercise price	No. of Options	Total Options Vested 2024	Total Options Vested 2023
01 October 2017	30 September 2024	0.85	150,000	150,000	150,000
14 December 2017	13 December 2024	0.85	10,000	10,000	10,000
01 January 2018	31 December 2024	0.85	10,000	4,375	4,375
22 January 2018	21 January 2025	0.85	10,000	10,000	10,000
31 January 2018	30 January 2025	0.85	10,000	10,000	10,000
01 July 2018	30 June 2025	0.85	205,000	98,069	98,069
22 November 2018	21 November 2025	2.34	20,000	20,000	17,500
06 May 2019	05 May 2026	2.34	10,000	10,000	10,000
01 July 2019	30 June 2029	0.52	66,384	66,384	66,384
10 August 2019	09 August 2026	2.34	10,000	10,000	9,375
11 September 2019	10 September 2026	2.34	10,000	10,000	9,375
18 November 2019	17 November 2026	5.95	12,000	12,000	10,500
01 April 2020	31 March 2027	5.95	20,000	5,000	4,063
21 April 2020	20 April 2027	5.95	10,000	10,000	7,500
25 April 2020	24 April 2027	5.95	5,000	5,000	3,750
01 July 2020	30 June 2030	2.21	28,809	28,809	28,809
01 July 2020	30 June 2027	5.95	50,000	50,000	37,500
01 July 2021	30 July 2031	1.85	84,760	84,760	84,760
01 October 2021	30 September 2028	5.95	13,000	7,188	5,938
01 April 2022	31 March 2029	5.95	30,000	16,875	9,375
01 July 2022	30 June 2029	8.75	35,000	18,000	8,750
01 July 2022	30 June 2032	8.75	42,492	42,492	42,492
01 October 2022	30 September 2029	8.75	20,000	8,750	-
01 January 2023	31 December 2030	22.50	263	263	263

GPN Vaccines Ltd 2024

ABN : 89 621 789 008

Notes to the Financial Statements For the Year Ended 30 June 2024

20 Share-based Payments

Grant Date	Expiry Date	Exercise price	No. of Options	Total Options Vested 2024	Total Options Vested 2023
01 July 2023	30 June 2030	22.50	7,000	2,500	-
01 July 2023	30 June 2033	22.50	41,791	41,791	-
01 October 2023	30 September 2030	22.50	4,000	-	-
01 June 2024	31 May 2031	75.00	649	649	-

On 2 February 2024, 12,500 options were exercised; 10,000 that were granted on 22 November 2018 and 2,500 that were issued on 25 April 2020.

All options expire on their expiry date. These options were issued under various conditions to both employees and non-employees of the Company. These options do not entitle the holder to participate in any share issue of the Company.

21 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2024	2023
	\$	\$
(Loss) for the year	(4,927,817)	(2,838,965)
Non-cash flows in profit:		
- amortisation	24,570	23,469
- depreciation	20,071	17,122
- net gain on disposal of plant and equipment	242	-
- share options expensed	1,063,264	491,814
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	11,434	(95,334)
- (increase)/decrease in prepayments	(908,960)	(80,190)
- (increase)/decrease in R&D tax offset	(964,074)	(712,983)
- increase/(decrease) in trade and other payables	(46,860)	(159,854)
- increase/(decrease) in employee benefits	1,686	3,495
Cashflows from operations	<u>(5,726,444)</u>	<u>(3,351,426)</u>

22 Events Occurring After the Reporting Date

- On 1 July 2024, Professor James Paton retired as the Company's Chief Scientific Officer, remaining on the Board as a non-Executive Director and as Senior Scientific Advisor. Leigh Willis retired as Head of Quality.
- On 1 July 2024, additional share options were granted to directors, officers, employees and consultants and/or their related parties under the Company's Employee Share Options Plan. The number of options granted on 1 July 2024 was 45,864 with an exercise price of \$75.00 per option.
- On 21 August 2024 ethics approval was granted to undertake an older adult study of Gamma-PN in adults aged 70 years and over.

GPN Vaccines Ltd 2024

ABN : 89 621 789 008

Notes to the Financial Statements

For the Year Ended 30 June 2024

22 Events Occurring After the Reporting Date

- On 4 September 2024 the Company received from the Australian Tax Office \$3,116,149, comprising its 2024 financial year R&D tax offset less FY24 Income tax liability.
- On 5 September 2024, the first participant was dosed in a Phase 1 clinical trial of Gamma-PN vaccine in adults aged 70 and over.
- Since the start of the new financial year the Company has continued strengthening its team, appointing Ms. Antiksha Joshi as Director of Quality, Dr Nerissa Lakhan as Clinical Project Manager and Dr Brooke Dilmetz as Research Scientist.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

23 Statutory Information

The registered office and principal place of business of the company is:

GPN Vaccines Ltd 2024
14 Mountbatten Park
65 Musgrave Street
Yarralumla ACT 2603

GPN Vaccines Ltd


ABN : 89 621 789 008

Directors' Declaration

The directors of the Company declare that:

- 1. the financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director

Timothy Raymond Hirst



Director

Barry Joseph Palte

Dated 26 September 2024

GPN Vaccines Ltd 2024 ABN : 89 621 789 008

**Consolidated Entity Disclosure Statement
For the Year Ended 30 June 2024**

GPN Vaccines Ltd is not required by Australian Accounting Standards to prepare consolidated financial statements.

In accordance with subsection 295 (3A) of the Corporations Act 2001, no further information is required to be disclosed in this consolidated entity disclosure statement.

GPN Vaccines Ltd

Independent Audit Report to the members of GPN Vaccines Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of GPN Vaccines Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 are independent of the Company 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in Board report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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.

GPN Vaccines Ltd

Independent Audit Report to the members of GPN Vaccines Ltd

If, based on the work we have performed on the other information 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 Directors for the Financial Report

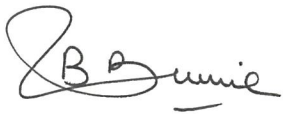
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of 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 Company's ability 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 Company 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 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.


Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

Canberra
26 September 2024